THE FINANCIAL POST
OF CANADA
The Canadian Newspaper for Investors

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ALL BUSINESS IS BADLY HIT BY ATTACK ON BIG PACKING FIRMS; CHARGES ARE WILDLY IMPROBABLE

Is This Attack Part of a Plot to Injure Sir Joseph Flavelle?

PROFITS OF DAVIES CO. FOR YEAR ONLY 1.69 PER CENT

Figures Prove That the Company Only Made 2/3 Cent Profit Per Pound of Bacon Instead of 5 Cents As Alleged—Building of Big Export Business in Open Competition is a Patriotic Effort.

CANADIAN industry and Canadian investments have never received a more damaging blow than has just been delivered by Hon. Mr. Crothers, Minister of Labor.

He has issued the results of an official inquiry into cost of living. The reporters at Ottawa—all of them supposed to be capable men, have had access to it. They wire their papers that, the careful investigation made, shows profits of $5,000,000 in bacon, only for one firm, which they say is the Davies Co., practically owned by Sir Joseph Flavelle, Bart.: while Matthews-Blackwell, a smaller concern, is said to have made $1,500,000 on bacon. These two, and all other packers and provision dealers, are also charged with having made relatively exorbitant profits on other products.

Later some of the newspapers have said that it is "margin" they meant, or that the Labor Department official meant, and not actual net profit. Even this explanation needs explaining.

The newspapers themselves have since acknowledged that their reports were inaccurate and garbled, and Mr. O'Connor himself writes to *The Canadian Grocer*, the weekly foodstuffs newspaper: "The trouble with the newspaper men seems to have been that they attempted to make a summary of the contents of a one-hundred page report, by looking at every second or third page instead of every page. The result was inevitable."

The fact remains, the impression is general in Parliament, and throughout Canada, that the provision curers and dealers, have been making enormous profits. Mr. Crothers knows that the report of his Food Commissioner, W. F. O'Connor, K.C.—who, like the minister himself, is a lawyer with no practical knowledge of the foodstuffs industry—has created an absolutely false—an outrageously wrong—impression. Mr. Crothers knows that. Yet he has taken no steps to even partially correct it.

Thinking people, therefore, can arrive at no other conclusion, than, that the whole business is a cleverly staged plot to kill an individual for political or other reason; or is another indication of the utter incompetence and indifference which Mr. Crothers has displayed in his handling of the important problems that have come before him; an incapacity which THE POST has frequently pointed out; and which has been so marked that it has been common newspaper talk that he would be the first minister to be retired on cabinet reconstruction.

Many of us, perhaps, would not mind seeing Flavelle hit, and hit hard. It is human nature. He has been too successful. He has been made a baronet. He has, after Sir John Eaton, the largest income of any man in Canada. He is not a good "mixer." He is very dictatorial. He has been too efficient and economical in his management of the munitions business.

But it is not only Flavelle's interests, but all business, all investments that are going to suffer unless these charges are properly cleared up. Already the professional agitators are after other concerns. Let us see what there is really in the charges.

It is impossible to say what the O'Connor report actually contains, but the newspapers have interpreted it as fixing the profits of the William Davies Company on bacon alone for 1916 at about $5,000,000. This would be a profit of 5c per lb. on bacon. This is what the country believes. The Davies Company officials state that their actual profit on bacon was 2-3 of a cent per lb., and introduces figures to prove their statement. As their books are offered to government auditors for immediate inspection, there can be no reason to doubt that the figures presented are correct.

THE POST has had a careful analysis of the figures presented by the Davies Company in their advertisement answering the newspaper attacks, made by an expert, a man who is not by any means friendly to the Davies interests. These figures show that the actual profit was as follows:

160,000,000 pounds of meat, margin of profit per lb. .68	$1,088,000.00
6,550,000 pounds butter and cheese, margin 1.04	68,120.00
26,500,000 tins of canned meats, margin .47..........	124,580.00
5,650,000 dozen eggs, margin 1.04	58,760.00
7,500,000 customers at retail stores, average sale 35c, margin ⅝c	46,875.00
Total gross profits on year's operations	$1,386,305.00
War tax, payable to Government, ...	710,305.00
Leaving net profit of	676,000.00

These figures balance, with the statement of the company, that their net percentage of profit on their yearly turnover of $40,000,000, was 1.69 per cent. or, including war tax, 3.45 per cent.

Unfortunately they do not tell us their actual capital. Records in our office give the figures for 1911. They have refused to let us have later figures, as they say the company—though it has issued bonds to the public—is a private concern. We think this is bad policy. However, they do say their assets are $13,385,000. On this basis their net profits would be about 5 per cent. But assets are indefinite. Based on the 1911 figure, and estimating what the actual cash investment with a fair allowance for good will, the capital value of the business ought to exceed $5,000,000. Put it at that and we have a net profit of less than 14 per cent.

This profit is made on perishable goods, but more important still, from their standpoint, on speculative goods—goods that are selling at fancy prices today, but may, suddenly drop and show a heavy loss instead of a profit. The losses in this industry have been enormous—more perhaps than in any other.

What is a fair profit? A consideration of all the circumstances compels us to say that a fair price in war time is a far different matter from a fair price in the times of peace. It must provide for many exigencies that do not face business in normal times. It must face falling price in goods and depreciation in inventories that will surely follow the end of the war. It should err, if it errs at all, on the side of generosity rather than on that of penuriousness, for in so doing it best serves the interests of the country as a whole. The fair profit will satisfy and do away with any tendency to excessive profits and will generally stabilize conditions. President Wilson, in his appeal for unselfishness in this time of stress, advocates that a just price be paid for everything the Government buys, and defines a just price as one which will sustain the industries in a high state of efficiency; provide a living for those who conduct them; enable them to pay good wages, and make possible the expansion of their enterprises, which is exactly what THE POST has laid down on more than one ocasion. But, in any case, who is there to say what constitutes a fair profit? How can any government official arrogate to himself the right to say what profits are legitimate and what excessive? It must be remembered that every dealer in foodstuffs—importer, manufacturer, wholesaler and retailer—must work on broad margins because they take heavy risks. Stocks may spoil, prices may recede at any time. Dealings in foodstuffs is a gamble at every stage. The packer who put away a million dozen eggs is taking the chance of losing hundreds of thousands of dollars if the market breaks—this is actual Canadian experience—to enable him to take this risk there must be an equal chance for a big profit as well. If the war ended tomorrow and food prices went down, as they probably would, the Davies Company would lose perhaps millions on the stores of foodstuffs that they have on hand.

In order to insure the food supply of the public it is necessary for huge stores to be laid away in cold storage. It is necessary therefore for someone to take the risk of huge losses. The public must be prepared to give those who take the chance of ruinous losses a counterbalancing chance of large gains so that the gains made to-day may offset the losses of yesterday and the possible losses of the future.

The Davies Company would, have strengthened their case by giving a statement of their exports. We are informed this is about 75 per cent., but suppose we put it at 100,000,000 bacon. This must be sold at the market price in Europe. Should Canadian exporters refuse to sell, and let the business go to Armour and others. This would mean that United States, Australian, Danish, South American farmers, dealers, packers, bankers, railways, insurance and steamship companies, and their workmen, would

Continued on page 5.

WORST OF MESOPOTAMIAN HORROR LAID AT THE DOOR OF GEN BABTIE WHO OVER RODE THE BRUCE REPORT

No Mention of Official Blame Extended to Him Gets Into Cables to Canada.

IN MEANTIME SECOND BRUCE REPORT KEPT UNDER COVER

Man Who Whitewashed Canadian Army Medical Service in Britain is Held Responsible for Terrible Mistakes in Medical Service in Mesopotama—Is Effort Being Made to Keep Canada Ignorant of Facts?

AS the paper directly responsible for the publication of the first report of Col. Bruce, which showed the inefficiency of the Canadian Army Medical Service in Britain, THE POST feels the responsibility of producing some very important facts in that connection.

The Bruce report was such that in certain influential circles the need for "whitewashing" was felt. Accordingly a commission was appointed, headed by Sir William Babtie, to enquire into the Bruce findings. The Babtie report swept aside many of Col. Bruce's recommendations, although it rather quietly concurred in many of his more important ones. Nevertheless, the effect of the Babtie report was to discredit Col. Bruce and nullify his work.

It now develops that the man who headed this enquiry was responsible for the worst phase, the medical arrangements and fearful suffering of the wounded soldiers, of the terrible Mesopotamia bungle which ended in the surrender of Townshend at Kut-el-Amara. Sir William Babtie was responsible for the medical service with the Mesopotamian expedition, and on that score the British Government report, recently issued, says:

> The Commission severely criticize deficiencies in medical equipment in the early phases of the campaign. Sir W. Babtie was Director of Medical Services in India up to June, 1915, and the Commission state that, knowing the Army Medical Service in India to be organized only for frontier warfare, knowing the provision of the field ambulances and hospitals to be deficient, and knowing the medical *personnel* to be insufficient, Sir William made no adequate efforts to improve these defects so as to equip the Mesopotamian Expedition in a manner suitable for campaigning in an unhealthy tropical climate against an enemy who was in alliance with and supported by the foremost exponents of modern warfare.
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> The expedition was dispatched to Mesopotamia and reinforcements were dispatched to the expedition with medical *personnel* and hospitals short even of the authorized scale—a scale which in itself was insufficient. Each division was only supplied with 12 sections of field ambulance instead of its proper complement of 20. This was due to medical *personnel* being retained in India for forces which might be required to meet internal disturbances or frontier warfare. The Commission are not convinced that the policy of preparing for possible warfare in India at the expense of actual warfare in Mesopotamia was justifiable. But even if this be conceded as a justification for allowing Mesopotamia to be severely understaffed in medical *personnel*, it was clearly the duty of Surgeon-General Babtie to impress on the authorities in India and at home the dangers of such a proceeding, and to have urged strongly upon the authorities in India that they should apply to England for assistance. This he did not do.
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> No river hospital steamers were provided for what it was known must be largely a riverine campaign. Consequently until 1916 the sick and wounded had to use ordinary river transport steamers. These were always over-burdened with ordinary transport work, were not infrequently used for carrying animals, and it was not always possible properly to clear them of their accumulations of filth and dung before they were used for sick and wounded troops. No wheeled ambulance transport was provided. It follows that ordinary army transport carts were the only vehicles available for the sick and wounded where land transport was necessary. There is an overwhelming mass of evidence as to the inhumanity of using these carts for the wounded. Padding for them was not always available. In some cases dead bodies were even used as cushions. Even when padded they were cruel and dangerous for certain classes of wounded. All this must have been well known to Surgeon-General Babtie, or might have been easily ascertained by inquiry or experiment. His only action in regard to developing a more suitable vehicle than the bullock-tonga was to ask the Maharaja of Benares to provide a special corps of pony tongas, none of which were, however, available in Mesopotamia till long after Sir W. Babtie had left India.
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> Surgeon-General Babtie's administration was marked by serious faults, for which he must be blamed, and the importance of which cannot be minimized. But the shortness of his experience as Director of Medical Services when the war broke out, and the fact that he had to work in an atmosphere very unfavorable to reforming innovation, must be regarded as diminishing the weight of the censure he deserves. He is undoubtedly a man of great ability, and having regard to all the circumstances the faults of his administration were not such as to prove him unfit for important responsible administrative posts.

It is a remarkable coincidence that, while the anadian Associated Press cables gave the names of other men condemned by the Commission, no mention whatever was made of their sever castigation of Babtie. Sir Sam Hughes has charged that Canadian cables were influenced and doctored in the High Commissioner's office in London. Was the omission of Babtie's name therefore intentional?

In the meantime, Col. Bruce has prepared a second report in which he justifies his first report. This has been in the hands of Sir Albert Kemp at Ottawa for two months, and no mention of its contents has been made. THE POST now learns that Sir George Perley, recently interviewed in London, stated that he has neither seen nor heard of the second Bruce report.

What is happening at Ottawa and at London? Is a deliberate effort being made to keep Canadians ignorant of the real facts?

Some newspapers, and politicians, have resented what they call the intrusion of a financial newspaper in political questions—that the making public of the Bruce report was quite outside our field. Let us repeat that the readers of THE POST, the class for whom THE POST specially speaks, are more deeply interested than any others in Canada. **THEY HAVE TO PAY.**

When we published the important findings of the Bruce report, the Militia Department was forced to take action. And that action has already saved millions in taxes which Canadian investors would have had to pay. To-day noisy newspapers and demagogges are suggesting that, even the small bank deposits of the widow and orphans, clerks and other money savers be annexed. The recent Quebec episode, promptly suppressed by the censor, shows the dangerous position towards which we are drifting.

LEADING BRITISH NAVAL EXPERT CONFIRMS WHAT POST HAS SAID ABOUT THE CRISIS AT SEA

Declares That Army Must Win on Land Before the Submarines Have Time to Defeat Us.

APPOINTMENT OF BUSINESS MAN AT ADMIRALTY

Sir Eric Geddes Who Takes Carson's Place Has Been Successful Executive and May Be Depended Upon to Get Results—The Return of Churchill to Government a Serious Mistake in Every Way.

THE most encouraging news in a long time comes from England this week—the appointment, by Lloyd-George, of Sir Eric Geddes as first Lord of the Admiralty. For the first time since the war began we have had at the head of our Navy a man who has been accustomed to doing things and getting things done. His history shows he is this kind of a man. He has the finest material to work upon and there is every reason to hope that a complete change will come over the higher direction of our Imperial Naval affairs.

The unfortunate optimism with which the British and Canadian people have accepted every phase of the war situation has been, and still is, the greatest obstacle to thorough national organization. THE FINANCIAL POST has been the only paper in Canada with the knowledge or the courage, or both, to tell the real, terrifying facts about our position. THE POST has done so from the very first. Recently the Manitoba *Free Press* has shown a tendency to face the issue squarely and the editor, J. W. Dafoe, has spoken out plainly on the political aspects. It is still impossible, however, to cure the public of its habit of apathetic, unreasoning optimism. The attitude of THE POST still inspires incredulity and, in some cases, antagonism.

Here is an extract from a letter addressed by the editor of a western newspaper to THE POST this week:—

> "Where did you get your information re the need of a thorough mobilizing of the nation's resources? We published the statement telegraphed us by our Eastern correspondent and it has so upset some of our readers that I hear a couple of them have gone crazy. Here we have thought we were winning the war and THE POST comes along dispels this idea."

There is a disticnt tendency in the country to accept only the facts that are pleasing. The Toronto *Star* in a recent editorial criticizes THE POST for painting "so dark a picture as to produce despair rather than vigorous action." Has the *Star* forgotten what Lloyd-George said in his stirring address on April 29: "Great Britain is one country that you don't get the best out of until it knows the worst. This is true of any country with grit." Canada is a country with grit. **THE BEST EFFORTS TOWARD WINNING THE WAR WILL NOT BE SECURED FROM THE PEOPLE OF CANADA UNTIL THEY KNOW THE ACTUAL FACTS.**

* * *

In any case THE POST did not, as the *Star* declares, allow its zeal to go too far. If anything THE POST did not go far enough. The statements that the *Star* takes issue with in THE POST article are: "On the sea the British navy has lost its old time control. It is not pleasant to admit but it is true. . . . . Our navy is not defeated but it has been rendered useless by German mines and submarines." The *Star* argues on the side of optimism as follows: "If the British navy were useless there would be no use in talking of sending reinforcements to France. . . . The situation at sea is serious enough but the submarine campaign has been successful only in checking the export of food to England. There is still grave difficulty and danger but there is every hope that the submarine danger will be diminished and finally overcome."

In another column the *Star* uses an article by Arthur H. Pollen, and in an introductory note introduces him as "England's distinguished naval critic. He is accepted in Europe as the fairest and most prominent writer on naval policy and the best interpreter of naval events—whose articles in *Land and Water* resulted in a reorganization of naval administration. He is at present in the United States at the request of Washington authorities. "Take Mr. Pollen at this valuation and he becomes a man whose opinions are worth listening to. The first article by Mr. Pollen that appeared in the *Star* was under a big heading, "Can army win the war before navy loses it?" and in it he said:—

> "It is the object of the whole German submarine campaign to bring the world's shipping to this point (where it will be inadequate) at the earliest possible moment. It represents the only hope the German high command can entertain for avoiding a final military defeat. It is a certainty that, if it becomes possible for Germany to achieve this end, the issues of the war will have to be compromised. That explains the enormous effort Great Britain has been making since the Spring of this year, and must continue to make, to force a military decison at the earliest possible moment. . . If it is not solved by the Allies the military defeat of Germany will be impossible. America, as well as Europe will have been defeated by the submarine."

In the same issue of the *Star*, in which appeared the editorial criticizing the stand of THE POST, Mr. Pollen says: "If we are to be sure of inflicting military defeat on Germany we must first conquer the submarine. Conquering the submarine is an operation the right form of which has not yet been ascertained. It may be unattainable. If so, we must hope to beat Germany on land before our sea supplies give out." And again: "It is on the rightness of the American naval policy, on the swiftness and courage with which decisions are made, on the scale and inventiveness with which experiments are pushed forward that the attainment of victory and escape from defeat depend."

THE "STAR'S" ACCLAIMED NAVAL EPERT AGREES ABSOULTELY WITH THE POST EVEN IF THE "STAR" EDITORIAL WRITER DOES NOT.

It is a hopeful sign that Sir Edward Carson has been retired from his post at the head of the Admiralty. The fault with the navy has never been with the fighting units, with the commanders or the men on the ships. Never was the efficiency of the navy higher. The fault has been with the politicians who have controlled the navy, the Churchills, the Balfours, the Carsons—politicians to the core, wedded to old ideas, reticent to change, antagonistic to suggestion and jealous of privileges and traditions. The navy has needed resourcefulness, wideawake handling, a real appreciation of dangers, perhaps a dash of pessimism. Instead it has had wooden adherence to old ideas, cocksureness, amateurish optimism. It is a good thing that Carson has gone. Sir Eric Geddes who succeeds him is a successful railroad man, a young man of reputed ability and resource. He will know nothing of the naval side of things but there are plenty of naval experts at the Admiralty to supply that. If he will use his business experience to apply their knowledge to the grim work that the navy has before it, we may hope for better things.

With Lloyd-George at the helm and a reasonably efficient Cabinet under him it was believed that at last Britain had achieved a Government of force and action. But, just when things seem to be starting in the right direction and the problems of national organization are being handled with sincerity, foresight and common sense, changes have to be made in the personnel of the Cabinet which include the return of Churchill as Minister of Munitions.

BANK OF MONTREAL

Established 100 Years (1817-1917)

Capital Paid up, $16,000,000. Rest, $16,000,000.
Undivided Profits, $1,557,034.
Total Assets - - - $386,806,887.

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President—Sir H. Montagu Allan, C.V.O. Vice-President—K. W. Blackwell.
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Paid-up Capital	$ 7,000,000
Reserve Fund and Undivided Profits	7,421,292
Total Deposits	92,102,072
Total Assets	121,130,558

233 Branches and Agencies in Canada, extending from the Atlantic to the Pacific.

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Special attention given to Collections. SAVINGS BANK DEPARTMENT AT ALL BRANCHES.

Commercial and Travellers' Letters of Credit issued, available and payable, respectively, in all parts of the world. Travellers' Cheques issued in convenient denominations, payable at par throughout the world.

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Established in 1836. *Incorporated by Royal Charter in 1840.*

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PAID-UP CAPITAL, $4,966,666. RESERVE FUND, $3,017,333.

Statement to the Dominion Government (Condensed)
30th June, 1917.

LIABILITIES TO THE PUBLIC.

Notes in Circulation	$ 5,607,116
Deposits	53,652,279
Other Liabilities	980,375
	$60,239,770

ASSETS.

Cash on Hand and in Banks	$10,650,708
Deposit with Government on Acct. Note Circulation	1,392,301
Government, Municipal and Other Securities	10,697,795
Call and Short Loans	7,965,842
Current Loans and Discounts and Other Assets	36,409,140
Bank Premises	2,318,201
	$69,433,987

IMPERIAL BANK OF CANADA

Dividend No. 108

Notice is hereby given that a Dividend at the rate of twelve per cent. (12%) per annum upon the paid-up Capital Stock of this Institution has been declared for the three months ending 31st July, 1917, and that the same will be payable at the Head Office and Branches on and after Wednesday, the first day of August next.
The Transfer Books will be closed from the 17th to the 31st July, 1917, both days inclusive.

By order of the Board,
E. HAY,
General Manager.
Toronto, 20th June, 1917.

The Standard Bank of Canada

Quarterly Dividend Notice No. 107

Notice is hereby given that a dividend at the rate of THIRTEEN PER CENT. PER ANNUM upon the Capital Stock of this Bank has this day been declared for the quarter ending July 31st, 1917, and that the same will be payable at the Head Office in this City and its Branches, on and after Wednesday, the 1st day of August, 1917, to shareholders of record of the 21st of July, 1917.

By order of the Board,
C. H. EASSON, General Manager.
Toronto, June 25th, 1917.

THE MOLSONS BANK

Incorporated by Act of Parliament 1855
Paid Up Capital - - - $4,000,000
Reserve Fund - - - 4,800,000
HEAD OFFICE, MONTREAL
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Edward C. Pratt, General Manager

NEWS OF SECURITIES — Uncertainty Continues

STEEL

Sagging Tendency in Evidence in Sympathy With U. S. Markets—Locomotive Dividend the Feature of the Week.

By P. BAIN, M.E.,
Editor Canadian Machinery.

The steel trade, so far as development of new business is concerned, may be said to have been at a standstill during the past week; in consequence the market value of stocks connected therewith has shown a fairly steady tendency to depreciate. In the United States, as was to be expected, declines have been both numerous and of substantial proportions, and the wonder is that our Canadian stocks have stood up so well, there being always the temptation to follow suit, if not the necessity. Steel being a basic industry, any material development either way is usually also reflected in the quotations of "Industrials" generally.

Although announcement has been made that the entire output of the United States steel mills will be placed at the disposal of the Government, considerable uneasiness exists concerning the prices likely to be fixed by the Federal Trade Commission, there being a disposition to anticipate that these will be considerably below the quotations now ruling, and that they will carry the proviso that the private consumer be put on the same footing as the Government. It may be taken for granted, however, that whatever action is taken, the upward movement, now so long operative, will be effectively curbed, which in itself will be distinctly beneficial to business generally.

While Canadian steel producers are not directly concerned with what may happen across the line, Canadian consumers are vitally interested, and are naturally keeping close tab on developments there. One thing is absolutely certain, relief from the existing steel shortage can by no stretch of imagination be looked for, whatever the prices fixed; the probabilities are all the other way. As was the case last year at this time, the output of the mills is at a less rate than it was a month ago, and that again was at a less rate than the preceding month, due to the warm weather and the reduced efforts of the workmen. One steel authority in the States says: "If low prices for steel are established, a drastic readjustment will follow, not only in prices, but in wages. To summarize the situation, the steel industry has entered a period of stagnation which I hope will be temporary."

The general opinion of the steel trade is that maximum prices have been reached, which means that this quarter may be the last to establish record earnings for various steel companies.

Capacity output is assured many months ahead for Canadian steel plants, and at prices yielding a fair return on the capital investment of each, and, while, doubtless a drastic measure of price fixing by the U. S. Government would result in a substantial set-back in steel and other stock quotations there, and be reflected here probably to the extent of from one to three points, such a happening would be of but short duration, and would in no way warrant the parting of their holdings by investors. It would rather seem to present opportunity to increase holdings.

The outstanding feature of the past week has been the declaration of a 6 per cent. dividend on Canadian Locomotive common, and it goes without saying that the announcement was hardly expected. Whether the Pellatt-Haney effort to secure proxies of control at the forthcoming annual meeting hastened matters, we cannot say; however, it may be taken for granted that overthrow of the present board is now well beyond the range of possibility. Their administration may have smacked of over-conservatism; however, their conduct of affairs has been justified by results.

	Close July 12.	Close July 19	Change
Can. Car, com....	32¼	32	— ¼
Do., pref.	71½	69⅞	— 1⅝
Can. Loco., com..	62	62¼	+ ¼
Do., pref.	87	89½	+ 2½
Gen. Electric, com	103	102½	— ½
Dom. Bridge	127	125	— 2
Dom. Iron, pref..	92	92	....
Dom. Steel	60⅛	59	— 1⅛
N.S. Steel, com.	96	93¾	— 2¼
Nat. Steel Car, pd.	28	28½	+ ½
Steel of Can., com	56½	54	— 2½
Do., pref.	89¼	91	+ 1¾

DOMINION STEEL CORPORATION.

Getting control of our big steel concerns, particularly those located in Nova Scotia, is a subject of frequent occurrence, and although as frequently given its quietus without anything very abnormal happening, it can always be relied upon to show itself again on the least semblance of opportunity. Dominion Steel Corporation control appeared to be on the tapis a few weeks ago, as between British and American interests, and while the disposition as usual has been "to forget it," the following few facts relating to personal holdings in Dominion Steel may be worth remembering.

One is that two members of the Board, Mark Workman, the president, and one of the new directors, J. K. L. Ross, are credited with owning between them about 40,000 shares, again the Board has the power to vote the 50,000 shares of common stock, representing the old James Ross holdings in Dominion Coal.

Out of the total of about 370,000 shares issued, 90,000 can be mustered quickly on the side of the present management. Some of the other directors own from 1,000 to 5,000 shares apiece, and in addition to that could enlist the support of large blocks held in the names of their friends, both brokers and private investors. However, the Workman-Ross stock, representing about an eighth of the total stock, apart from the treasury shares, is the largest and most important block that would have to be reckoned with in any show-down for control.

The preferred and common stocks have been generally active; quotations have, however, been shaded in both cases as compared with last week's close, the comparative figures being found in the departmental tabular statement.

NOVA SCOTIA STEEL & COAL CO.

A meeting of the Board of Directors of Nova Scotia Steel & Coal Co. was held at New Glasgow, N.S., on July 12, the new president, Frank H. Crockard, being thereafter formally introduced to the heads of the various departments. Col. Cantley presided, and according to the information given out, the business discussed was of a routine nature only. Production in the various departments continues to show satisfactory progress, this being clearly indicated by the comparative tonnage figures for the first and second quarters of this year which follow:—

	2nd Q'ter.	1st Q'ter.	Ch'ge.
Coal	152,076	146,525	Inc 5,551
Ore	14,238	12,177	Inc 2,061
Limestone	20,896	21,074	Dec 178
Coke	25,874	25,555	Inc 329
Iron	21,971	21,103	Inc 863
Steel ingots ...	33,377	28,598	Inc 33,683
Finish steel ...	28,904		

The stock has been heavy all week on a moderate amount of business passing in small lots; perhaps the most outstanding feature in this direction being the new low level 5 cents, to which the rights of the new stock issue have declined. Having regard to the Company's production record of the past two years, its meantime and well-ahead assured activity, and the fact that a very aggressive business policy has been determined upon and is in process of development, we should not at all be surprised to see the stock well over par before the end of the summer. About the middle of the week a low level of 93⅛ was reached, since when a hardening tendency has become apparent with the result that the week's close shows 94 bid, as against 96, a week ago; or a loss of 2 points.

Holders of Nova Scotia Steel a few days ago received from the Equitable Trust Company of New York an official acknowledgment of the receipt of the first payment of $25 per share on the new stock recently announced. As none of the recipients had made any payment on the new stock, the official notice created a good deal of wonderment in the street, and optimists started a rumor that the company had taken this way to give the shareholders a bonus of $25 a share. The matter was explained, however, by the publication of a despatch from the steel company, which appeared on the afternoon stock sheet, and which stated: "Have just been advised by wire that owing to regrettable mistake Equitable Trust Co. subscription receipts were sent to shareholders instead of warrants to subscribe for full shares of new stock. Equitable Trust Co. have since notified all shareholders that these receipts are invalid, and should be returned.—Nova Scotia Steel & Coal Co."

It is contended in some quarters that American interests, represented by Hayden, Stone & Co., of Boston, are now in control of "Scotia." "Officials of the latter refuse to affirm or deny that Hayden-Stone interests have control, but from other sources it is learned that the facts as given above are 'substantially correct'," says the Boston News Bureau.

STEEL CO. OF CANADA.

Now that the Steel Co. of Canada has taken steps to strengthen its production position in the matter of coal and iron ore supplies, there will be less tendency to give its stock the inferiority of market standing, relatively with Dominion Steel and Scotia.

For some time back shareholders of Steel of Canada have been receiving gratuitous advice from some brokers to sell and take on shares of the more advantageously placed companies. The adoption of the new policy removes the necessity for such advice and will naturally have a tendency to fortify shareholders in their convictions of Steel of Canada as an investment. Both the common and preferred have been fairly active, almost every day registering a few transactions in each. The unsettled condition of the steel market in the United States has materially been reflected here, with the result that a downward trend in prices is shown, particularly as regards common stocks. Steel of Canada preferred, however, closed at 90¾ bid as aganist 89¼ a week ago. The common on the other hand closed with a loss of two points, the bid price being 54½ as against 56½ a week ago.

While complete details of the acquisition by the Steel Company of Canada of ore and coal properties in the United States are meantime lacking, it is understood that an interest will be acquired along with certain American concerns. The Steel Co.'s commitment will not exceed a million dollars, according to report. The various interests will contract for the properties' output, and the share of Steel of Canada is reckoned to be in the vicinity of 10 per cent.

Notwithstanding the satisfactory nature of the company's business for the first half of the year 1916, the output for the past six months shows a considerable increase in volume according to statements originating in well-informed circles. What, however, will be of even more interest to shareholders is the statement that there has been an increase also both in gross and net profits for the period mentioned. The works are all operating at capacity and the outlook for the current half year is for a continuation of the present activity. The prospects are that the 1917 output will reach a new high record.

LAKE SUPERIOR CORPORATION.

Negotiations between Lake Superior Corporation stockholders and the bondholders committee representing the Fleming interests are, we understand, making satisfactory progress towards the placing in the presidential chair of a thoroughly experienced steelmaker. The gentleman in view has been approached regarding the appointment and is believed to look upon the proposition favorably. The directors recently visited the plant of one of its subsidiaries—the Algoma Steel Co. at Sault Ste. Marie, and had the pleasure of noting that full capacity production is not only the meantime condition there, but contracts on hand—rails and munitions, ensure same continuing until at least midsummer 1918.

NATIONAL STEEL CAR.

Neither common nor preferred stock of the National Steel Car have been much in evidence during the week, two lots—10 and 25 of the preferred at 28 and 27½ constituting the total business, Some adjustments are being made with the French Government regarding the Company's failure to make good in its contract deliveries, and if the outcome is as anticipated, the Company's treasury will benefit to the extent of about $600,000. Prospects are still indicative of a gradual, if slow, release from financial difficulties, and having regard to railroad requirements during the next few years both in Canada and abroad, there is no reason why the more advantageous circumstances in which the company now finds itself should not only be maintained but become materially enhanced. As evidence of a satisfactory settlement with the French Government, further car orders are likely to come through. The common closed at 10½ asked, no bids, and the preferred at 29 asked, 27½ bid.

CANADIAN LOCOMOTIVE.

Canadian Locomotive common did not respond in any way to the declaration of a dividend at the rate of 6 per cent. per annum. The stock was unchanged at 61¾, the quotation preceding the announcement. The regular quarterly dividend on the preferred at the annual rate of 7 per cent. was also announced. The company is now in a very strong financial position, and some distribution for the common shareholders was confidently expected, even before the recent campaign to secure proxies for use at the annual meeting. The president, Aemilius Jarvis, is reported to have said that they are getting fully 30 per cent. more production than heretofore out of its existing plant, which indicates a high degree of efficiency on the part of the operating management. A further reference to the Company will be found in the general section of this week's POST.

CANADIAN CAR & FOUNDRY CO.

The annual meeting of the Canadian Car & Foundry Co. will be held on July 31. It is believed that the financial results from the completion of the Russian shell order will show profits, exclusive of salvage and amounts now in litigation, substantially over $3,000,000. Also, that as much as half a million dollars will ultimately be realized as profits on salvage from the Kingsland fire, besides which a large number of shells will be recovered, the sale of which will add considerably to the $500,000. In addition, it is understood that the company has now pending law suits for the recovery of moneys advanced, approximately $700,000. It is just possible that the precedent established by many other industrial concerns will be followed, that is, the conservation of its resources will be undertaken for the purpose of handling the large amount of business now on hand. Same amounts to between $15,000,000 and $18,000,000, and as this requires a considerable amount of capital outlay, the directors will likely postpone the payment of dividends.

The annual meeting is being looked forward to with a great deal of interest, as by that time it is expected that some final announcement can be made regarding the issue of $750,000 new common stock. In the meantime the different plants of the company are working to capacity, and good progress has already been made on the $13,000,000 car order recently placed by the Canadian Government. It is stated that the first shipment on this order will be made in September or October

The impression has been fairly general here that most of the preferred and common stock of Canadian Car & Foundry Co., purchased by American buyers in the war stock boom of 1915, found in way back to Canada later. Against that it is stated that a recent list of shareholders shows a very large amount of stock in American names and with a very wide distribution, too. English holdings, which were sold fairly freely in 1915, are also said to be still substantial particular holdings of the preferred stocks.

The stocks have been affected but little by the week's announcement of the new issue of $750,000, and made in part settlement of claims for commission on the Russian order. Comment on the transaction varies a great deal. The validity of the claim being up held, many argue that the company has disposed of it more satisfactory by a stock issue than by a cash payment. The stock may prove valuable some day, but those who are accepting are taking a chance, the company in the meantime are, however, hanging on to cash that it can ill spare.

The common and preferred stocks closed at 31½ and 69½ respectively as against 32¼ and 71½ a week ago.

ONTARIO STEEL PRODUCTS.

The week now closed has been on a par with some of its predecessors, no transactions having taken place in the stock of the Ontario Steel Products Co., a circumstance in view of the easing off in steel stock quotations generally, which points to the shares being strongly and closely held. It will be remembered that a block of 85 shares changed hands during the week ending July 12 at 24 and 24½. Stock coming on the market at the present junction would probably mean a shading of these prices.

CANADA FOUNDRIES & FORGINGS.

Holders of Canada Foundries & Forgings seem disposed to sit tight, preferring the latter condition to testing out the market, even to the extent of an odd lot of stock. Needless to say, the activities of the various plants are expressive of capacity outputs whose net returns warrant shareholders maintaining their investment.

DOMINION FOUNDRIES & STEEL.

We should not be surprised to note a substantial increase in value of the stock of this concern, basing our prophecy alike on the capacity activity of the enterprise, and the fact that its output is being realized under circumstances demonstrative of plant administrative and equipment efficiency. No stock transactions have been recorded during the past week.

TEXTILES

Few Changes in Stocks—Undelivered Orders Limit Knit Goods Sales.

By H. H. BLACK,
Editor, Dry Goods Review.

There was little change in any of the textile stocks during the week. A slight weakness was manifested in a couple of places, but sales were light and no general movement to sell. Indeed, throughout nearly the whole list of textiles stocks are closely held.

Among the knit goods mills keen interest is shown in the early returns from salesmen who are out with next spring's lines. Reports received by FINANCIAL POST from a number of the mills indicate a slight disappointment in the orders that are being offered by the wholesale houses. This is due, not so much to the high cost of the goods, as to the failure of many of the mills so far to clean up on their deliveries for the present season. The manager of one large mill told "Dry Good Review" that a large order he had expected had been held up temporarily at least, as the buyer still had several hundred dozen suits of underwear that were contracted for the 1917 season, but not yet delivered. All these now would have to be sent over to the 1918 season, but he looked to the mills to deliver the goods late this fall or early next spring, at the original contract price. In all these cases he would be receiving goods for 1918 at the 1917 prices, 30 to 40 per cent. lower. No wonder, then, that he was content to wait for the contracts to be filled.

This condition of slowness in delivery of 1917 contracts will operate not only against the total of "new" business in knit goods for 1918 delivery, but applies also to the cotton textile companies, all of whom are behind: due not only to accepting too heavy orders, but also to unfavorable labor conditions that developed beyond their expectations.

In a letter to "Dry Goods Review," C. Turnbull, head of the C. Turnbull Company of Galt, and also president of the Canadian Knit Goods Manufacturers' Association, deals with the general labor situation thus: "I do not think the output for the next 6 or 8 months will be as large as it was last year. We are likely to lose help through conscription, and the result of great shortage of female labor, and the fact that a good many have gone into munition shops, of course, make our shortage greater. On the whole, the labor shortage is acute, and certainly will lead to a reduction in the production of knit goods."

The raw cotton market seems to have reached its high limit for some time, in so far as normal conditions affect it. Reports of a breaking of the drought this week brought down prices slightly: all peace rumors force them up to an even greater extent. Spot cotton this week held just under the 27-cent mark; futures for the most part were at 25 cents or under. This discrepancy, making all allowances for safety, indicate that the cotton market is not inherently strong at the present level.

	Close July 12	Close July 19	Ch'ge
Can. Cottons, pfd...	79	79	..
Dom. Textile, com...	83¾	84	+ ¼
Do., pref.	100	101	+ 1
Montreal Cott., com.	51	52	+ 1
Penmans, com.	72	71	— 1

CANADIAN CONVERTERS.

After the rush of buyers last week, which carried the stock up from 40 to 43, at which it closed, owing, it is explained, to expectations of an increased dividend—which did not "happen"—the stock was left absolutely alone this week, not a sale was recorded up to Thursday night.

CANADIAN COTTONS.

Common stock was again untouched this week but 145 shares were sold of preferred up to Thursday afternoon at a common figure of 79. This is the same as the close last week.

DOMINION TEXTILE.

While the mills are sitting "pat" so far as prices are concerned until the raw markets become more settled, the securities have been having a few sales this week. There were 97 of common at 83½ to 84, last week's prices, while in preferred 5 shares were sold at 101, one point above the close of a week ago.

MONARCH KNITTING.

This firm will be sending out to the trade about the 15th of August a very extensive line of an entirely new design in silk sweater coats for 1918, and anticipate very heavy sales. The firm booked a very large amount of business for the present season of 1917 and have been making reasonably good deliveries. In spite of this there has been a very great shortage of silk coats during the season and acting upon this experience the Monarch Knitting Company will make a big bid for increased business next year.

They are in addition working up light-weight cloth in ladies' coats in novelty styles and there seems a good prospect of these, too, meeting with a ready response. Their line of spring hosiery will be an extensive one and they are gradually getting their new mill into shape for turning out larger orders each season. Bathing suits is also a good line and the scarcity there has been during the past two seasons should make it reasonably sure that their output will be well taken up when it goes to the trade in about a month. There is no chance of prices going down on any of these goods that have been mentioned, and profits are fairly certain on every one.

Conditions in this respect for the Monarch Knitting Company are much different from what they were before the war when their business was almost entirely taken up with woolen sweater coats and a poor season left them, as it did immediately before the war, with a large stock on hand. War orders cleaned these up in the winter of 1914-15, and the extension of the business to hosiery and the increase in the silk sweater coat trade which has grown steadily year by year places the mills in a much better position with this variety than they ever have been before. There is no indication that the old time sweater coat trade will increase very much over what it has been in the past and it was a wise move which will become more and more evident, for the Monarch Knitting Company to turn to a new line that would enable them to make up for a possible slow season in sweater coats.

There were no sales this week either in common or preferred. The drop of 5 points in common last week applied only to 6 shares that were sold and should not be taken as an index of present values.

MONTREAL COTTONS.

The only movement during the week was on Thursday when 5 shares of common sold at 52, one point above the sale of last week. There has been no movement in preferred for a month.

PENMANS.

While a great many mills are far behind in filling their orders for summer lines and will have to now put them over to 1918, Penmans, through their wise policy of accepting only a limited amount when orders were given one year ago and last December and January, have been able to fill nearly all their orders and will start with a fairly clean sheet for the new season. This will enable them to turn out most of their goods required for next spring and summer at a normal profit based on the new and higher prices for cotton and wool yarns, whereas a good many mills will be turning out the 1917 portion of their delivery next year at a reduced profit based on 1917 contract prices, and in some cases with the margin of profit wiped out entirely.

A few sales were made in common this week starting at 72, last week's close, but dropping on Thursday to 71. Preferred as for the past three weeks, was untouched.

THE HARVEY KNITTING COMPANY.

The Harvey Knitting Company, which has its mill in Woodstock, Ontario, has enlarged its capacity during the past year by extending its dyehouse and also by the installation of several new machines. Four are already in place and six more are expected.

WABASSO COTTON.

Two directors have been elected to fill long-standing vacancies, J. J. Harty of Kingston, sales manager of the Canadian Locomotive Works, and W. I. Gear, of Montreal. The financial statement for the year, it is reported will show very satisfactory results.

MILLING

Securities Continue Inactive—A Good Demand Noted for Mill Products

By J. L. RUTLEDGE,
Editor Canadian Grocer.

Despite the fact that the demand for flour and general mill stocks has increased to a very satisfactory manner during the past week, the sale of milling securities, has maintained a dead level of inactivity. There has been little buying in any of the milling stocks of recent date, despite the fact that, without exception, these companies are doing a good business. Wheat showed little activity in the market during the week. The prices ranged from $2.84 to $2.40 for cash wheat. Despite this fact and that little if any flour is being shipped across the line, as American wheat is now being ground, flour advanced 50 cents during the week, a fact that in itself would seem to suggest that there was a reasonably good demand.

There has been so much talk of recent date of the change in the quality of flour as a matter of conservation of food, that the criticism of this viewpoint by Andrew Kelly, the president of the Western Canada Flour Mills Company is interesting. Mr. Kelly can see no virtue in the suggestion, and points out that what would be gained in one way would be lost in another. The more of the product that is ground into the flour, the less of a by product there will be for mill feeds, that are relatively in as great demand as flour. In this way, the saving in one way would be offset by a blow to the cattle industry, so that no good results could be actually expected from the change. There is sound reason in his contention that there is no justification for the lowering of Canadian flour standards unless there is something to be actually gained thereby.

LAKE OF THE WOODS.

There has been no activity in the Lake of the Woods Milling Company Stock during the past week, little interest being taken in the industrial stocks. The last sale recorded was at 125 for the common and 116 for the preferred.

MAPLE LEAF.

The stock of the Maple Leaf Milling Company showed an almost total inaction, a few sales taking place early in the week at 102. This was somewhat down from the figures of the previous week when there was a slightly improved feeling to be noticed. It was largely a matter of an unresponsive market. There was no selling in the preferred, the last recorded sale being at 92½.

OGILVIE FLOUR.

There was only one sale since last record in the stock of the Ogilvie Flour Mills Company. It showed quite a tendency toward a firmer feeling, returning to the 145 figure of the high previous sale. This is the best figure attained by the stock so far this year. In the preferred there was no activity this week, the last sale having been made at 112.

SHREDDED WHEAT.

No activity has been noted in this stock for some little time past. This in the face of the fact that the plant is working at its maximum capacity, and is yet behind with its orders. There is to be a considerable enlargement of the plant of the Canadian Company, which will materially add to the output. The last quotation on the common was at 131 and on the preferred 95.

TRANSPORTATION

Intimation at Ottawa That Government May Act on Commission Report at This Session.

With the conscription issue more or less settled so far as the attention of the House of Commons is concerned, the railway problem is again receiving consideration at Ottawa, and reports this week are to the effect that the policy of the Government in relation to the report of the Royal Commission on the whole transportation question will be made known in the near future. The Minister of Railways explained in reply to a question that the Grand Trunk Pacific had met June interest payments out of last year's vote, but that he had no information as to the course followed by the Canadian Northern.

In transportation circles there is a feeling that the Government will not face the heavy financial operation entailed in a policy of nationalization while the war continues, and that during the period until the end of the conflict temporary assistance will be continued. In that event the eventual solution of the problem may be influenced by post-war developments.

Opinion is still conflicting as to the actual benefits accruing to the American railroads as the result of the rate advances which have been granted by the Inter-State Commerce Commission. However, it is generally believed that what has been granted is not sufficient under the circumstances, and that the railroads will be handicapped in rendering an efficient service. The commission is criticized for maintaining an attitude of restraint against the roads instead of one of fair play. In Canada a decision is still being awaited as to the application before the Railway Commission, but there is a feeling that a substantial measure of relief will be granted.

Reports of railway earnings continue to make a very satisfactory showing so far as gross returns are concerned, but the effect of the increasing cost of operation is having a serious effect upon the net profits.

For Week Ending July 14th.

	1917.	1916.	Change.
C.P.R. ...	$2,867,000	$2,738,000	+$129,000
C.N.R. ...	935,600	874,900	+ 60,700
G.T.R. ...	1,379,293	1,211,393	+ 167,900
	$5,181,893	$4,824,293	+$357,600

During the week Commons gave a lot of consideration to the Consolidated Railway Act, and considerable progress was made on this measure.

The U.S. railroads' war board in urging the loading of freight cars 10 per cent. in excess of marked capacity points out that it would be equivalent to placing 200,000 additional cars in service immediately. Figures of the principal coal carrying railroads for May show an increase of 7,100,000 tons handled over the same month last year. A daily average of 28,449 cars was loaded with bituminous coal in May, 1917. Through the arrangement adopted for pooling coal shipments at Baltimore, Philadelphia, New York and Hampton Roads, reducing the number of grades of coal with a view of facilitating the flow of traffic, it is estimated that 133,000 freight cars will be saved.

CANADIAN PACIFIC.

For the week ending July 14, the gross earnings of the Canadian Pacific Railway showed a shrinkage of $234,000 as compared with the preceding week. For the week the earnings amounted to $2,867,000 as compared with $2,738,000 for the corresponding period in 1916, an increase of $129,000 or 4.7 per cent. while the gain shown in the previous week was 18.5 per cent. and for the second week in June, 20.4 per cent. For the two weeks in July the earnings are as follows:—

	1917	1916	Inc.	%
July 7.	$3,101,000	$2,616,000	$485,000	18.5
July 14	2,867,000	2,738,000	129,000	4.7

Under the evident influence of an improvement in American rails, Canadian Pacific continued strong this week and sales took place on the Canadian market at 165.

CANADIAN NORTHERN.

The Canadian Northern Railway system reports gross earnings for the week ending July 14, amounting to $935,600 against $874,900 for the corresponding period a year ago, the increase being $60,700 or 6.9 per cent. and show a substantial increase over the figures for the first week in July when the increase was $17,200 or 1.9 per cent., and as compared with the figures for the second week in June show an increase of $18,800. Following are comparative figures:—

	1917	1916	Inc.	%
July 7.	$ 902,300	$ 885,100	$ 17,200	1.9
July 14	935,600	874,900	60,700	6.9

From July 1, to date the gross amounted to $1,837,900, an increase over the corresponding period in 1916 of $77,900.

GRAND TRUNK.

Chairman Smithers of the Grand Trunk board of directors proposes to remain in Canada until the government's disposal of the railway question. He has been at Ottawa several times but at this date can do nothing but speculate as to the probable course the government will take. However, the belief is growing that the government will continue the assistance which has already been given until after the war when entirely new conditions may disclose themselves. It is argued that the Grand Trunk could easily make a fair showing under normal conditions and that the Transcontinental has a future. It is questionable if nationalization would not aggravate instead of alleviating the present troubles and difficulties.

Referring to some recent buying in Grand Trunk stock, with a partial recovery in prices from the low level to which it fell as the result of free selling on the part of holders rendered nervous by the recommendation of the Royal commission, the London *Financial Times* says there is good reason for a favorable change of sentiment regarding the outlook for the company's future in the shape of current earnings. In this connection, however, we are inclined to the opinion that the journal referred to has paid more attention to the increase in the gross receipts than it has to the great advance in the cost of operation and its effect upon the net returns which most directly concern the investor.

The Grand Trunk continues to place orders for additional equipment. The orders for 15 Mikado type locomotives has been followed by one calling for 1,000 new box cars which has been placed with the American Car and Foundry company. President Chamberlin recently made the statement that the company owns more passenger and freight car equipment and more motive power per mile of road than any other railroad in Canada except the Michigan Central.

The Bill to amend the Railway Act so as to exclude from the directorship of railway companies persons who are not residents of Canada and to insist that all meetings of directors of railway companies held elsewhere shall be of no effect has been withdrawn in the Senate. This measure, was, according to its sponsor, Hon. George Lynch-Staunton, particularly aimed at the Grand Trunk Railway, with the idea of having the administration of that system controlled in Canada rather than from England. Senator Lynch-Staunton explained that the government preferred that the question be considered with the general Railway Act as before the Senate; he promised to bring up the question again when the railway bill was before the House. During the debate he was charged with launching an unwarranted attack on the Grand Trunk and with bringing in a proposal which would have the effect of robbing British or other foreign investors of the right to exercise control over their own moneys.

Gross earnings of the Grand Trunk Railway system for the second week in July amounted to $1,379,293 as compared with $1,211,393 for the corresponding period in 1916, an increase of $167,900 or 13.8 per cent. which compares with a gain shown in the first week of 12.3 per cent. and for the second week in June of 21.1 per cent. Following are comparative figures for the month to date.

	1917	1916	Inc.	%
July 7.	$1,297,003	$1,155,029	$141,974	12.3
July 14	1,379,293	1,211,393	167,900	13.8

The Grand Trunk Pacific Railway reports gross earnings for the week ending June 21, amounting to £26,707 as compared with £20,260 for the corresponding period a year ago, an increase of £6,447, while from July 1, 1916, to June 21, the earnings were £482,156, an increase of £29,283.

Complaint is made by Grand Trunk officials at Toronto that there is a serious congestion of coal shipments in the city, owing to the fact that consignees are very dilatory in unloading. The municipal corporation itself has been particularly criticized. The situation is one which should be remedied. Considering the blame which the railways have sustained for congestion last winter, they have a right to demand the fullest co-operation in making delivery of supplies which may constitute a reserve for the cold weather. Under the circumstances there would appear to be a strong argument in favor of the request of companies for permission to increase the demurrage charges.

CANADA STEAMSHIPS.

Under the influence of a dividend of 1¾ per cent. and an additional 7-12, Canada Steamships preferred eased during the week and late sales were at 79, as compared with a recent high of 81½. However, considering the dividend the net loss was not great. Trading was very light. The common sold down to 42, or half a point off from the opening of the week.

PULP AND PAPER

Few Sales of Securities and Prices Weaker on the Whole, Publishes Still Hammer Manufacturers.

Pulp and paper securities have been dealt in lightly this week and there was a tendency to a slight decline. Until the newsprint investigation results in some definite announcement as to a future price the stocks are bound to be somewhat weak, as on this point will depend, whether the record for 1917 will equal, surpass or fall far below that of 1916 in respect of profits. The Commission may not only regulate newsprint prices but may decide to recommend some limit upon pulp charges, which would lessen greatly the profits of mills that deal largely in this product beyond their own manufacturing requirements.

Business has now assumed the usual summer dullness, accentuated by the fact that many printers and other customers are fairly well stocked up. One wholesale stationery house, however, is busily engaged in car-load shipments to Western Canada to provide supplies against the opening of the schools. Prices of paper, book, ledger, etc., remain firm.

In spite of the rising of the Commission at Ottawa, pending the report of the accountant who is examining the books of the news print mills, the Canadian Press Association continues its bombardment of the action of R. A. Pringle, K.C., the Commissioner in refusing to include the Canadian Export Co., in his investigation. They also return to the attack of the "arbitrary" figures on costs, submitted to the Commission.

Comparisons are given of the findings of the Federal Trade Commission of the United States as to Canadian costs with the "arbitrary" figures, as follows: Column No. 1 representing the replies of the mills to the questionaire, covering 1916, and No. 2 the Federal Commission's findings for the first 6 months of 1916 which have just been issued:

	Mills' Claims	Federal
News print costs, ton	$42.39-$52.48	$27.43
Sulphite costs, ton..	50.00- 70.00	24.85
Ground wood costs, ton	25.00	10.54
Profit, per ton		9.54
Loss, per ton	1.43- 14.30*	.....

*One manufacturer admitted a profit of $4.42 a ton.

The mills justify these figures on the ground that they estimated the sulphite and ground wood costs at the market basis, even although the raw material was supplied from their own limits and manufactured on their own machines. The "actual" cost to them was represented in the Federal Commission's report. It rests with Commissioner Pringle to determine which basis he will adopt in figuring out costs, or whether he will adopt some middle estimate.

	Close July 12	Close July 19	Change
Laurentide	170	170	...
Riordon	121¼	120	—1¼
Spanish, com. ...	14	14	...
Wayagamack . .	68	67	—1
Brompton	47	47¼	+ ¼
N.A. Pulp	5	4	—1
Toronto Paper ..	88½	80	—8½

LAURENTIDE.

For the second week in succession this stock has shown opening sales at 171, and a decline again to 170. Up to Thursday afternoon there were 320 sales, 290 of them at the lower figure.

SPANISH RIVER.

There were 78 sales this week at last week's quotation, 14 in common. Preferred were untouched.

RIORDAN PAPER AND PULP.

The regular quarterly dividend on Riordan of 1½ per cent. with bonus of 1 per cent. for the second quarter of the year has been declared. This is payable August 15 to stock of record Aug. 8. Being ex-dividend the stock sold down from 122, last week's close, to 120.

PROVINCIAL PAPER.

Securities of The Provincial Paper Co. were listed for the first time this week on the Montreal Exchange as indicated in FINANCIAL POST last week. These consist of $2,481,300 common stock and $1,700,000 preferred. The ticker abbreviation is "P.P."

The secretary-treasurer, S. F. Duncan, stated to FINANCIAL POST on Thursday that he expected the stock to be listed on Toronto Exchange next week.

HOWARD SMITH PAPER MILLS.

The securities of this firm were called for the first time in Montreal this week but no sales were recorded. There were listed common stock of 1,062,500 and preferred of $475,000.

WAYAGAMACK.

Five weeks have passed since there were any sales of this security. The last recorded was at 68.

BROMPTON PULP & PAPER CO.

At a meeting of the directors in Montreal on Thursday, the dividend was raised from a straight 4 per cent. basis with a bonus, to 5 per cent. straight, payable 1¼ per cent. quarterly. The increased dividend is payable August 7 to holders of record July 31. In anticipation of some action of this kind sales were more numerous this week and the stock sold up to 47½, a slight advance over last week.

MINING STOCKS

Recent Strength in Market Did Not Continue—Silver Easier and Limit Thought to be Reached.

While the number of shares sold this week to date has exceeded last week's by over 100,000, the upward tendency has been checked, and not only most securities but bar silver as well are lower than last week. Opening at 80¾ on Friday of last week, silver dropped to 79¼ on Saturday, but advanced two points on Monday to 81¼, the highest point of its recent climb. The same day the London price was 41¼d. an ounce, the highest since 1892. On Tuesday, however, there was a decline to 80⅝; next day to 80¼, while on Thursday it fell to 79½. The chief explanation is the action of the British Government in discouraging silver imports into India in order to encourage gold importations. This is

Continued on page 4.

THE CANADIAN BANK OF COMMERCE

PAID-UP CAPITAL - $15,000,000
REST - - $13,500,000

Head Office, TORONTO

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., President
SIR JOHN AIRD - - - General Manager
H. V. F. JONES - - Ass't General Manager

The Bank has branches in every part of the Dominion of Canada, as well as in St. John's, Newfoundland; New York, Seattle, San Francisco, Portland, Ore.; Mexico City, and London, England. By reason of its many branches in Canada, the Bank is able to place at the disposal of correspondents abroad excellent facilities for the transaction of every kind of banking business.

Collections

Collections made in any part of Canada at reasonable rates.

A GENERAL BANKING BUSINESS TRANSACTED

THE DOMINION BANK

HEAD OFFICE, TORONTO

SIR EDMUND B. OSLER, M.P., President
W. D. MATTHEWS, Vice-President
C. A. BOGERT, General Manager

The London, England, Branch of
The Dominion Bank
At 73 Cornhill, E.C.,

Conducts a General Banking and Foreign Exchange business and has ample facilities for handling collections and remittances from Canada.

THE LONDON CITY & MIDLAND BANK LIMITED.

HEAD OFFICE: 5, THREADNEEDLE ST., LONDON, E.C. 2
FOREIGN BRANCH OFFICE: 8, FINCH LANE, LONDON, E.C. 3.

Subscribed Capital $111,677,782.94
Paid-up Capital 23,266,202.34
Reserve Fund 19,466,400.00

Deposits (31st Dec., 1916) $849,809,215.41
Cash Reserve 233,468,740.28

Sir EDWARD H. HOLDEN, Bart., *Chairman.*

The Weyburn Security Bank

Chartered by Act of the Dominion Parliament.

HEAD OFFICE, - WEYBURN, SASK.

NINETEEN BRANCHES IN SASKATCHEWAN.

DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos. Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn, Sask.; Frank Moffet, Weyburn, Sask.; H. N. Morphy, Weyburn, Sask.; S. E. Oscarson, White Rock, S.D.; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.

A General Banking and Foreign Exchange Business Transacted.

UNION BANK OF CANADA

Established 1865

HEAD OFFICE - WINNIPEG

Paid-Up Capital ....$ 5,000,000
Reserve 3,400,000
Total Assets .... over $109,000,000

John Galt ....President
H. B. Shaw .... General Manager
J. W. Hamilton...Assistant General Manager

This Bank, having over 305 Branches in Canada, extending from Halifax to Prince Rupert, offers excellent facilities for the transaction of every description of banking business.

Travellers' Cheques and Letters of Credit issued payable all over the world.

Collections made in all parts of the Dominion, and returns promptly remitted at lowest rates of exchange.

Attention is particularly drawn to the advantages offered by the Foreign Exchange Department of our London (England) Office, and Merchants and Manufacturers are invited to avail themselves of the Commercial Information Bureau established at that Branch.

New York Agency, 49 Wall St., New York City. Geo. Wilson, Agent.

CORRESPONDENCE SOLICITED.

HALL BROTHERS, LIMITED.

PUBLIC Notice is hereby given that under the First Part of Chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 28th day of June, 1917, incorporating Samuel Edward Hall and James Mason Hall, lumbermen, and Debora Mary Hall, married woman, all of the City of Toronto, in the Province of Ontario; Thomas Gordon Hall, of the City of Vancouver, in the Province of British Columbia, lumber manufacturer, and Alexander Aeneas McDonald,, of the Village of Marmora, in the said Province of Ontario, barrister-at-law, for the following purposes, viz.:—To purchase, cut, sell and manufacture timber and lumber in the Dominion of Canada, England and the United States of America and elsewhere. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Hall Brothers, Limited," with a capital stock of twenty thousand dollars, divided into 2,000 shares of ten dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario.

Dated at the office of the Secretary of State of Canada, this 29th day of June, 1917.

THOMAS MULVEY,
Under-Secretary of State.

CANADIAN SPRINKLER EQUIPMENT COMPANY.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 21st day of June, 1917, incorporating John Gardner Leckie and George Gordon Beckett, students-at-law, John Antliff Kent, accountant, Barbara Cameron, clerk, Donald Black Sinclair and Edward Gordon McMillan, barristers-at-law, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.:—(a) To manufacture, construct, sell, instal and equip properties with automatic sprinklers, fire extinguishing and fire prevention apparatus and devices of all kinds; to carry on the business of a general construction company in all its branches, including assigning and sub-letting of contracts, contracting and developing generally, and to build, construct, maintain, own and operate, dwellings, barns, elevators, warehouses, factories, buildings, bridges, docks, wharves and all other structures of a like nature useful or incidental to the work of the company or any part thereof, and to carry on the business of steamfitters, plumbers, mechanical engineers and dealers in and manufacturers of plants, engines and other machinery, and to engage in the business of electrical, civil and water supply engineers; (b) To manufacture, purchase, lease or otherwise acquire, hold, own, sell, assign, invest in, deal in and deal with goods, tools and property of every class and description, including engines, dynamos, motors and valves of every description and kind and any and all kinds of machinery, plant, articles of manufacture and mechanical apparatus generally; (c) To carry on any other business, whether manufacturing or otherwise, which may seem to the company capable of being conveniently carried on in connection with its business, or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights; (d) To take, own and sell contracts, notes, bonds and other securities and evidences of indebtedness, and to own, hold, deal in and sell the capital stock in other corporations; (e) To act as agent for any individual, firm or corporation carrying on a business similar to the business which this company is authorized to carry on; (f) To acquire by purchase, lease or otherwise, the whole or any part of the undertaking, assets, business and property, real and personal, and the good-will, franchises, patents, rights, privileges, contracts and assets and liabilities, useful or incidental to the business of the company, upon such terms and conditions as may be deemed advisable, from any individual, firm or corporation, and to pay for the same in cash or fully paid-up shares, bonds or other securities of the company or otherwise as may be agreed upon, and to sell or otherwise dispose of or otherwise deal with the whole or any portion of the same; (g) To acquire by purchase, lease or otherwise any real or personal, movable or immovable property which the company may deem necessary for the carrying out of the objects of the company or any of them; (h) To acquire, hold and own shares in any other corporation doing business in whole or in part of a like nature, and to pay for the same either in cash or part cash, or to issue fully paid-up shares of the company in payment or part payment therefor, or otherwise as may be arranged, and to sell or otherwise deal with the same, notwithstanding the provisions of section 44 of The Companies Act; (i) To issue in payment for any property, concessions or rights by the company, or with the approval of the shareholders, for services rendered or to be rendered to the company, bonds or common or preferred stock of the company as fully paid-up and non-assessable; (j) To enter into any arrangement for sharing of profits, union of interest, co-operation, joint adventure, reciprocal concession or otherwise, with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which this company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit this company; and to lend money to, guarantee the contracts of, or otherwise assist, any such person or company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, reissue, with or without guarantee, or otherwise deal with the same; (k) To take, accept and hold mortgages, hypothecs, liens and charges to secure the payment of any money due to the company or advanced by the company to any person, firm or corporation in the carrying on of the company's operations; (l) To lease, sell or otherwise dispose of the business, property and undertakings of the company, or any part thereof, for such consideration and upon such terms and conditions as the company may deem fit, and in particular for the shares, bonds, debentures or securities of any other company having objects similar in whole or in part to those of this company; (m) To distribute among the shareholders of the company in kind any property of the company, and in particular any shares, debentures or securities of any company belonging to the company or which the company may have power to dispose of; (n) The intention is that the objects specified in paragraph (a) hereof shall be independent objects and shall be in no wise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the company; (o) To do all such other things as may be deemed necessary or useful in the attainment of the above objects; (p) To pay out of the funds of the company all the expenses of or incidental to the formation, registration and advertising of the company. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere, by the name of "Canadian Sprinkler Equipment Company, Limited," with a capital stock of fifty thousand dollars, divided into 500 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario.

Dated at the office of the Secretary of State of Canada, this 21st day of June, 1917.

THOMAS MULVEY,
Under-Secretary of State.

NEWS OF SECURITIES

Continued from page 3

taken in some quarters to be an effort to put a rein on the silver market, which was getting out of control. The quoted price, however, does not reflect the real market value, as silver is being sold at Cobalt at 83, and a new high of 84 cents an ounce was realized this week on the Pacific Coast. Owing to the lower insurance risks and the absence of submarines large quantities of silver have been shipped lately across the Pacific, and thence to India and China.

Date	Transactions Shares	Silver Cents
Friday, July 13	187,361	80¾
Saturday, July 14 ..	84,075	79¼
Monday, July 16....	149,065	81¼
Tuesday, July 17 ..	167,319	80⅝
Wednesday, July 18.	103,359	80¼
Thursday, July 19..	90,710	79½
Total	781,889	
Average daily..	130,314	
Last week's total 656,863		

While the votes at Cobalt and Porcupine are understood to have been overwhelmingly in favor of a strike, there seems no disposition on the part of the men to carry this into effect.

One of the weak spots this week was Temiskaming, which declined from 39 to 33¾ on rather unfavorable reports and a feeling that a struggle for control was coming. This influenced other securities.

In the gold mines, Hollinger advanced 5 points, going from 4.28 to 4.65 in the two weeks; Dome Mines declined from $12.10 to $11; McIntyre advanced 3 cents; Newray, which went from 51 to 55 a week ago, continued its course to 59½; West Dome weakened 2 cents. Adanac, which last week on a discovery report jumped from 10 to 16 in big sales, dropped to 13½; Beaver declined 3½, and McKinley 2 points; while Nipissing added 20 cents to last week's advance of 60.

Gold	Close July 12	Close July 19	Change
Hollinger ...	4.60	4.65	+ .05
Dome Mines	12.10	11.00	— 1.10
McIntyre ...	1.59	1.56	— .03
Newray	.55	.59½	+ .04½
West Dome .	.21	.19	— .02
Dome Exten...	18½	.17	— .01½
Boston Creek	.56	.55	— .01
Vipond	.31	.32	+ .01
Silver—			
Adanac	.16	.13½	— .02½
Beaver	.37½	.34	— .03½
Hargraves ..	.11	.13	+ .02
McKinley ..	.57	.55	— .02
Temiskaming	.39	.33¾	— .05¼
Nipissing ...	7.60	7.80	+ .20

STANDARD SILVER-LEAD MINING CO.

After making a dividend payment of $100,000 in April last, the Standard Silver-Lead Mining Co., one of the producers of the Slocan district, had a balance in hand of $230,520. The net profit for the month of April was $33,793. In addition there was a total of $46,491 on account of ore shipped, but not settled for. Quotations on this company's stock have now been removed from the Vancouver Stock Exchange.

TRAIL SMELTER RECEIPTS.

The total ore receipts at the Trail Smelter for the month of June amounted to 17,129 tons, as against 42,249 for the same month last year. The decrease is accounted for in the fact that the miners' strike in the Crow's Nest resulted in the stopping to a large degree the supply of coke for the ovens at the smelter. It is locally reported, however, that now the labor troubles have been settled, the increased production of the necessary coke will soon place the smelter receipts on a normal basis. The Fort Steele mining division shipped 9,823 tons; the Greenwood division 2,254 tons; the West Kootenay division 998 tons; the Slocan division 1,917 tons, and the Rossland division 994 tons, these being the leading shippers. Over three hundred tons were received from the Province of Manitoba.

QUEBEC RAILWAY.

Despatches from Ottawa indicate that legislation will likely be introduced at the present session fixing a specific price for taking over the Quebec and Saguenay Railway by the government. The price mentioned in this connection is around $4,200,000. Last year this proposed deal figured in the railway budget and arrangements to acquire the line were concluded. The Exchequer court was asked to determine the exact valuation but the proceedings before that body came to a halt and in order to facilitate the transaction further legislation in the form of a fixed valuaton is now proposed.

The Exchequer court has now ordered the Federal government to pay to the company $275,000 for the Quebec Gas Co.'s land, which belongs to the railway company, and which was expropriated by the Federal authorities. The government offered $2 a foot whereas the court awarded $5 a foot. Adding $30,000 previously agreed upon, the company gets $305,000.

McINTYRE.

The tonnage treated during June was 14,456, the largest on record except for May, which was 15,064. The average value was $10.24, the lowest except in May which was $9.83. With better labor conditions the output for July is expected to exceed all previous records in total value as well as production. The highest production so far this year was in April, $153,028, while June fell to $141,208.

The stock opened the week at 158, went to 1.59 and gradually dropped to 1.56 by Thursday with 19,984 sales.

ADANAC.

This stock whose rapid advance from 10 to 16 was one of the features last week did not retain the early strength which sent it up to 18¾. By Tuesday it had fallen to 13½, although it closed at 15¼, but on Wednesday it closed at 12 and Thursday was slightly stronger at 13½. The sales up to Thursday night totaled 94,500 for five days. The directors examined the find reported last week at the 310-foot level but will make no definite announcement before the first ore shipment has been made.

GRANBY.

Granby Consolidated Mining Smelting and Power Co. produced 3,030,929 lbs. of copper from Anyox in June compared with 3,159,284 lbs. in May. Operations may be resumed shortly at Grand Forks. The mine there was closed in April for lack of coal owing to the strike at the Crow's Nest Pass Co.'s property.

BUFFALO.

It is reported in Cobalt that the Buffalo Mining Co. have bought a group of some 13 claims in McElroy township, immediately to the east of the Boston Gold Leaf property. Among these are the Mondeau and Brisboise properties on which promsing claims are reported to have been disclosed some 3 miles from the T. & N. O. Railway.

The surplus on the Buffalo mines for the year ending June 30 was upwards of $600,000.

There have been no sales since June 27, when 25 shares brought 112.

NIPISSING.

During June the Nipissing Mining Co. turned out ore valued at $269,469 and shipped bullion and residue from Nipissing and custom ores estimated at $475,320. The bullion recovery for the first six months of the year amounted to 1,492,677 ounces. The stock has run from 7.50 the opening, to 7.80 which was the close on Thursday.

TECK-HUGHES.

Labor shortage brought the month's output down to 1,260 tons, of an average grade of $9.66. Owing to the small response to the recent bond issue the directors are making another offer of $100,000 par value bonds. They are 5-year, 7 per cent., first mortgage gold debentures, payable 1920.

Sales this week opened at 55, dropped to 52, and rose to 58. The price on Thursday was 56 asked with no bids.

BUFFALO MINES.

The annual report of Buffalo Mines for the annual period ending April 30, 1917, is being sent to the shareholders. The gross income for the year showed $356,465, of which $224,082 was represented by the excess of the value of ore and bullion on hand at the end of the year as compared with the previous report. Operating expenses were $260,830 and other charges amounted to $57,222, in addition to which $21,827 was allowed for depreciation. Total expenses were, therefore, $339,882, leaving a net income of $36,582. Total income in the previous year was $439,756 and net income $57,793.

The president, Charles L. Dennison, explains that delays occurred in obtaining equipment required and in installing it, which prevented the new plant being operated at capacity or as a complete unit. It is expected that the plant will be running at nearly full capacity during the present month. It is stated that the advance in the price of silver has practically compensated for any loss in delay of output. The president believes that if labor troubles can be avoided and the plant operated without serious breakdowns it should treat 500 tons to 600 tons per day of ore and sand and at the prevailing price of silver the earnings of the company should be very satisfactory. The outstanding notes of the company, which amounted to $300,000 on April 30, 1917, have been paid. As soon as a steady production of the plant of the estimated capacity is assured the directors will determine the amount possible to distribute to the stockholders.

The report of Tom R. Jones, the superintendent, covers the year's operations in detail. Regarding the company's ore reserves he states there is broken ready for extraction approximately 15,700 tons of ore in the stopes, of approximate value of 25 ounces per ton; unbroken ore, developed, 17,200 tons of the same estimated value, or 951,125 ounces; nearly 8,000 tons of ore of approximate value of 120,000 ounces making a total of 1,071,125 ounces. Sand tailings of approximately 375,000 tons remain, at an estimated value of 1,400,000 ounces, also 3,000 tons of residue at the high grade plant for further treatment.

ELECTRIC RAILWAYS

Little Change in the Situation During The Week—Markets Continue Dull.

As regards the electric railway and utility stocks there has been little change in the situation during the week although some of the stocks of American companies have shown a better tone and some recovery. However, in a general way no marked improvement can be looked for while the present conditions continue. Operating costs are rising, revenues are not increasing and public opinion, especially in Canada, is not displaying much favor towards the private utility corporations. A further example of the campaign against private corporations has been seen this week by the action at Ottawa in putting through legislation which gives the city of Toronto the right to revoke rights granted to the Toronto and Niagara Power Company under a charter of 1906 and to order them to take their transmission system off the streets. Public opinion in the province fails evidently to consider the danger of creating a power monopoly under the Hydro Commission; that will eventually be the result of legislating private corporation out of existence.

DULUTH-SUPERIOR.

Gross earnings of the Duluth-Superior Traction company for the first week in July amounted to $33,349 as compared with $30,175 for the corresponding week in 1916, an increase of $3,173 or 10.5 per cent. For the year to date the earnings were $791,032 against $677,116, an increase of $113,915 or 16.8 per cent.

Thirty shares of the company's stock changed hands during the week at 43, showing little change from the previous price of 43⅛.

B. C. ELECTRIC.

Owing to the eight-day street car strike in Vancouver last month the ctiy treasury was the loser by some $800 on account of the percentages from the traffic passing over the city and suburban lines of the B. C. Electric railway. Last month's cheque paid the city amounted to $2,309.24 as against $3,121.94 in June 1916, the decrease beng $812.70. On the basis of an increase of over three hundred dollars in the percentage cheque for the preceedng month of May and a general increase in traffic it would be quite safe in saying that in this case alone the city of Vancouver was the loser by approximately $1,200 by the street car strike, not to mention any of the other losses. Against this should be noted the large number of jitney licenses which were taken out during the operaton of the strike.

During the month of June the B. C. Electric railway carried some 1,708,429 passengers while in June of 1916 the number reached 2,207,208. Adding the increase of 300,000 in the number of passengers carried in May this year, it is conservatively estimated that there were 800,000 less passengers carried last month due to the striking car men.

Municipalization of the street railway system of the B. C. Electric Railway in Victoria, as an outgrowth of the recent strike, has been taken up by the City Council. The aldermen refused to give out a statement of what took place at the meeting, but it is understood that the discussion had to do with the recent reported offer of the B. C. Electric to sell out to the province. It was said that it is not the intention of the city to deal with the province, but to investigate the possibilities of acquiring the local street railway lines for itself and to operate them as a municipal institution. A similar proposal is being considered by the Vancouver City Council. The price mentioned there is $30,000,000.

BARCELONA TRACTION.

Barcelona Traction, after selling up as high as 11½ at the close of last week, has eased off somewhat recently, and late sales have been at 10¾. This point was touched once before this month and is the lowest of the current year. Unsettled general conditions are evidently off-setting the advantages of good consuming demand for power.

BRAZILIAN.

Brazilian Traction showed no market benefit from the distribution of the annual statement. In fact from a high at the opening of the week there was a loss of one point at the low. This is not necessarily an indication that the indications revealed in the report were regarded as unfavorable, but was more likely the result of realizing which very often follows the publication of a good statement, especially if the influence of the document has been discounted. Of the statement itself about the only thing unfavorable that could be said—aside from the influence of the exchange rate—was that the amount of current assets was comparatively small, but in this connection the suspension of the dividend should have a favorable influence. The report is fully reviewed in another column.

The situation in Sao Paulo as the result of the strike was probably an influence on Brazilian, but the settlement of the trouble was not followed by anything favorable.

DETROIT UNITED.

Detroit United has developed considerable strength this week and moved up as high as 109½, which compares with a recent low of 106½ about the middle of last week. There was a very fair volume of business on the rise, Friday's business running over 1500 shares. There has been no particular news to account for the renewal of investor's confidence.

QUEBEC RAILS.

Towards the end of the week the stock showed weakness, selling down to 17, indicating the loss of one point from last week. The figure referred to is the low point of the decline which has been in evidence for several months.

TORONTO RAILWAY.

The aftermath of the strike has exerted little influence over Toronto Railway stock, the week's range being 74½ to 75. The company has named Duncan McDonold, and the men D. A. Carey, to represent them on the board of conciliation. The third member will be appointed by these two or by the Minister of Labor in the event of an agreement not being reached.

The criminal charge against the company of overcrowding cars has been dismissed by the Privy Council.

OTHER STOCKS

Another Dull Weak With Market Continuing Its Attitude of Uncertainty.

Another week of narrow and desultory trading has passed on the Canadian exchanges with comparatively little attention displayed on the part of traders. The air of uncertainty as to industrial developments and the trend of the whole investment situation continues and to this is added the seasonable summer quiet. New York influences give no encouragement for either activity or stability. In Wall Street there are indications that investors are waiting for some development which will give a more definite idea of what may be the effect of the proposed war taxes and price-fixing regulations. In the domestic situation short capital supply continues to restrict the volume of business and in this connection the market is waiting some indication of the success of the negotiations of Mr. White for a loan in the United States. The extent to which the country may be able to draw upon outside capital in the next few months will reflect directly upon government financing at home and the supply of capital available for general business as well as funds for industrial financing and stock market operations. In the opinion of followers of the market general industrial stocks are cheaper to-day than they have ever been on Canadian exchanges but of course the investor must take into consideration also that the conditions which prevail are altogether abnormal.

AMES-HOLDEN-McCREADY.

Ames-Holden-McCready securities passed another quiet week. There were no sales of the common, and in the only transaction in the preferred 100 shares changed hands at 49, which showed no change from the previous.

B. C. PACKERS

There is no interest shown in the stock of the British Columbia packers. Reports regarding the early run are not of a very reassuring nature and there is no great optimism displayed by the various packing companies in regard to the prospects for the whole season.

From Western Alaska come reports that the run so far has been a failure and the early indications from Northern British Columbia are little if any better. The first meetings of the Salmon commission have been held but there will be little news of interest until the report is made.

CANADA CEMENT.

Holders of securities of the Canada Cement Company will no doubt be interested in the views which the president, Senator Edwards, expressed in the Senate on the question of Canadian industry after the war. In the course of his remarks, which were an argument in favor of a reduction or abolition of the protective tariff, the Senator expressed the opinion that from an economic standpoint there were few lines of manufacturing which were maintained on a healthy basis in this country; in fact, he mentioned but two—the pulp industry and the cement industry. The speech was that of the strong supporter of free trade taking the extreme view of an issue which has always provided inexhaustible grounds for argument.

During the week the trend of the market for the company's common stock was somewhat easier on narrow trading; the price declined fractionally to 60¾. The preferred was also easier at 91, compared with a range of 92-92½ last week.

CITY DAIRY.

City Dairy has failed to attract any trading attention during the week. Offers of 30 for the common and 60 for the preferred are posted without any asked price. The indications are that the stock is pretty well held, and that the holders are inclined to await an improvement in the situation, which they feel should come with the end of the war, if not before.

CARRIAGE FACTORIES.

During the latter part of last week there was some action displayed by Carriage Factories, when the price moved up from 9½ to 11 on a total of 20 shares.

CANADIAN SALT

Conditions in the salt industry in Canada have been affected by the war. Business has been good; in fact, owing to the inability of Quebec and Maritime Provinces to get their usual supply from England, there has been an increased demand in Eastern Canada. England has been out of the market owing to shortage of boats and high ocean charges. On the other hand there have been many difficulties. Owing to the almost continuous embargoes by the railways during the past winter, shortage in car supply and unsatisfactory labor conditions, accompanied by an accumulation of orders, it has been very difficult to make deliveries promptly and delays in shipments are to be looked for. The labor situation has been another unfavorable factor and producers have not been able to carry on operations with any degree of satisfaction.

CANADA BREAD

Some slight activity developed early this week in the stock of the Canada Bread Company. Some time ago Mark Breden, head of the company, stated that there could be a further reduction in price when flour dropped to $12.00. Flour has been hovering very close to these figures for some little time past and the inference might be that the company was doing very satisfactorily under these circumstances. There was no change in the selling price of the stock which remained at 15. There were no sales noted in the preferred, the last recorded sale being at 85.

DOMINION CANNERS

With the advent of better weather the prospects for the canning season have materially improved. In some sections the canning crops were in imminent danger owing to the continued wet weather, and tomatoes were beginning to be a very doubtful crop, with the change in weather conditions however the danger is largely passed and a full pack is expected. Some of the early fruits show a slight falling off, notably is this the case with strawberries which also suffered from the prolonged wet weather. Other crops, with the exception of corn, promise well. The pack of corn it is feared will be light. On the whole however the outlook is very promising, and with the easing up in the tin situation, and the assurance that the company will get all the cans called for by its contracts will assure a good pack. This should put the company in a good position, as there is no question of an exceptionally ready market for all the canned goods than can be produced.

Despite these satisfactory prospects, the limited trading in the stock all shows a tendency toward low figures. There was quite a selling of this stock on Wednesday of this week. But this opened at 23 half a point off the last recorded sale, and declined another point before the close of the day. In the preferred there was no activity the last sale being made at 75.

GENERAL ELECTRIC.

With a continuance of the narrow market which has prevailed for some weeks, Canadian General Electric showed little change from last week. The range was 102 to 103, as compared with 101 to 103 last week.

INTERNATIONAL PETROLEUM.

After being inactive for a fortnight, International Petroleum registered a price of $13.50 this week, or 50c better than the last. There is still considerable activity in the America market.

INTERNATIONAL ENGINEERING

Shareholders of International Engineering are being advised that Messrs. Cahan & Lovett, who control about 70 per cent. of the stock of International Engineering, have given a sixty-day option on their holdings at $11.50 for the preferred and $5 for the common. One of the conditions is that a like offer be made to other shareholders.

LYALL CONSTRUCTION.

A meeting of the directors was called on Thursday afternoon, at which, it was rumored, a decision would be reached to declare an initial dividend of 8 per cent. a year, which would call for a total of $140,000. On similar prospects last year the stock rose from 25½ to 93. Lately a few sales have gone through at 64. On Friday word was received that the meeting had been postponed until next month, when the question of a dividend will be considered.

RUSSELL MOTOR.

The work of turning out shells is proceeding as before at the Russell Motor Car Co.'s works. The contracts on hand at present will keep them going to capacity to the end of October. H. D. Scully, the manager, speaking to FINANCIAL POST, said that no more orders for the future had been received, but they "were not worrying." There is an abundance of labor available. The last sale of common was two weeks ago at 70. Preferred has not been dealt in since late in June, when it sold at 106.

ROGERS.

The Wm. A. Rogers stocks have been quiet on the Toronto Exchange for some weeks. For the common, 40 is being offered, and for the preferred 90 is asked, without arousing interest on the part of holders in the first instance or buyers in the second. Reports indicate a continuance of the business activities of the company on a very satisfactory basis. However, as has been previously pointed out, the high cost of materials and manufacturing processes requires an unusually large amount of working capital.

TOOKE BROTHERS.

The week has passed without any indication whatever, marketwise, of the effect of the annual statement of the company. The common stock has been dormant throughout the year, and the preferred has shown no life since early in June, when there was a small transaction at 72. There have been no quotations on the exchange for some time.

TUCKETT TOBACCO.

For the first time since the latter part of April Tuckett preferred came into the market this week with a transfer of a block of forty shares at 80. This is an improvement over the last price of 78.

Daniel Willard says 693 railroad companies operating in 48 States controlling 263,000 miles of road, are responding admirably to central direction from War Board of Railroad Presidents.

WESTERN WHEAT ESTIMATED AT 170,000,000 BUS.

Crop News From all Sources in West Are Not Encouraging.

LABOR PROBLEMS LOOMING UP

Binder Twine Nearly Double Former Prices—Hay Crops Heavier Than Expected in East — Bean Crops Were Hurt.

By F. M. CHAPMAN,
Editor, "The Farmers' Magazine."

A hot dry week, with temperatures nearing the 100° mark, has marked Western Canada. Unfavorable reports have been sifting through the press all the week, and the following wire from Miss E. Cora Hind to the POST to-day, is not altogether a cheering outlook. She says:

Crop conditions in the West are far from satisfactory and they are not improving. A personal view of the country between Winnipeg and Edmonton going up via G.T.P. and return C.P.R. fully confirms the rather pressimistic reports sent in by 190 crop correspondents of the Manitoba Free Press.

The conditions in brief are these. Spring was late, dry and cold, the seed bed however, was in excellent condition when the seed was sown, that is it was excellent from the standpoint of moisture, but owing to shortage of labor this spring and last fall a very large percentage had to be seeded on stubble land without even disking in some cases. Then in some districts it was found expensive to secure good seed and a chance was taken on seed from wheat that had been somewhat severely rusted.

A Dark Side.

These seeding conditions were followed by a very cold and dry June, which cuminated in a severe general frost on June 21st. Rain following the frost would largely have mitigated any trouble but there was no general rain for more than a week after this frost. Even now there has not been sufficient rain excepting in a few isolated and widely scattered districts. We are now passed the middle of July. Weather is intensely hot and there has been very little rain. Straw is short and the heads that are coming promise to be very short also. Coarse grains are rather worse as to general conditions than wheat. This is the dark side of the picture and it is certainly dark enough. The reverse is that the crop has an exceptionally strong vigorous root and with a general rain now followed by warm weather and light cool winds an immense amount of recovery would be possible.

Might Reach Average Yield

With favorable weather from now there is every reason to believe seventy-five per cent. of an average wheat crop may be realized. An average wheat crop would be 18 bushels on the entire acreage seeded which is over 12 million acres. Seventy-five per cent. would be roughly 170 million bushel. The situation as to farm help seems at least to be receiving attention from the Ottawa Government and it is none too soon. There is not sufficient labor to reap even a short crop, though of course the smaller the crop the less the number required. There is sufficient binder twine available but price is high, 22 cents per pound as against 12½ to 13 last year. There appears to be an abundant supply of farm machinery of all kinds but just at the moment farmers are **rather hanging back owing to uncertainty as to crop.**

The Eastern Situation.

The greater part of Eastern Canada has been praying for dry weather, as the rains of the past 10 days have endangered thousands of acres of the finest clover, Alfalfa and mixed hay, as well as the corn and bean crops. And generally, over the province of Ontario, fair weather has enabled to get much of their clover crops under cover. A week or more of such weather is yet needed to save the crop.

Now is the critical time as anything may happen yet. The growing grain crops are two weeks late and the late rains have induced a growth of straw which would not recover easily in case of beating storms. Hay promises to equal last year's crops in many sections. Spring wheat, oats, barley and mixed grains are looking fit for better than average yields. Fall wheat is beginning to ripen in the Southern portions of Ontario and has developed better than many expected.

Our Crop Areas.

A special bulletin from the Census office gives the crop areas in Canada as somewhat higher than those of a month ago. The following table will show the acreages of 1917.

As compared with former years.
Latest Acreages Reports (000's omitted).

Grains	1917	1916	1915
Wheat	13,549	14,897	14,675
Oats	11,806	9,875	11,424
Barley	1,820	1,681	1,707
Rye	153	147	112
Peas	151	150	196
Mixed Grains	409	398	467
Hay & Clover	7,824	7,892	7,875
Buckwheat .	336	341	344
Beans	43	32	43
Corn (Silo)	310	297	343
Potatoes ...	502	449	479

STATES GIVES CANADA NEW $1,000,000 ORDER

Knit Goods Association Accepts 30,000 Dozen Out of Order—More Orders Coming.

In addition to the order for socks, knitted gloves and blankets as announced in the FINANCIAL POST, the United States Government has offered to contract for 50,000 dozen suits of cotton underwear to cost about $1,000,000. At a meeting of the Canadian Knit Goods Manufacturers' Association at Hamilton this week, all that could be accepted was 30,000 dozen, but further orders are in sight and likely will be taken. The bulk of this latest contract will be filled by Penmans. Deliveries are set for April next. On all these goods made for export, the government allows a refund of 99 per cent. of the duty paid on the raw material which in this case is cotton yarn.

ANSOM McKIM'S ESTATE.

Prominent Advertising Agent Left $288,000.

Ansom McKim, founder of the McKim Advertising agency, of Montreal, and one of the pioneers in the publicity business in Canada, whose death occurred on May 24 last, left an estate valued at $288,383. The Royal Trust Company is acting as executor. Probate has been applied for so far as it effects belongings in Ontario. This involves $2,858. By his will deceased bequeathed 100 preferred shares and 300 common stock of A. McKim, Ltd., to his brother John Nelson McKim, 50 shares of common stock to a nephew Anson C. McKim and, after numerous bequests made to brothers, sisters, nephews and nieces, the residue goes to the widow. Included in the estate are five shares in the Consolidated Mining and Smelting Company valued $161.25; 1,000 shares in the Temiskaming Mining Company, Ltd., valued $500; $823 in stock in the Peubla Tramway and Power Company and $2,000 insurance.

BUSINESS WAITS ANNOUNCEMENT OF MR. WHITE

Report as to Loan Will Have Effect on General Conditions.

TRADE OUTLOOK GOOD

High Agricultural Prices and Industrial Activity Should Insure Prosperity While the War Continues at Least.

Business interests are awaiting the announcement of the Minister of Finance regarding the result of his negotiations for a loan in the United States. THE POST has every confidence in the report from New York which it published last week, which in effect indicated that money could be secured in that market, but there was a question to be decided as to whether the issue would be taken up by the American Government, or whether it would be placed in the open market. It was probably with regard to these details that Mr. White made his recent pilgrimage.

An important point will, of course, be the amount. Mr. White will undoubtedly secure all the credit he can, and he will be wise to do so at this time, with the future so uncertain. Whether he will be able to secure enough to postpone a domestic loan is a question. In any event, conservative opinion is that it would be a mistake if success in securing foreign capital were made an excuse for further postponing some more equitable system for increasing the taxation revenue. An income tax when it is enforced should undoubtedly be made to apply to the whole mass of the people, and not alone to the wealthy. There is also room for further taxation of luxuries. The reduction of extravagance on the part of the people is important at this time, and that can best be effected through wise and equitable taxation.

Business Conditions.

Reports as to business conditions throughout the country continue to be of a satisfactory character. From some parts of the prairie country there are indications that depressing crop prospects have had their effect in curtailing credits, but this is not by any means general. Labor conditions are very unsettled, the rising cost of living being an important factor in this connection.

June trade figures issued at Ottawa continue to show a development in post imports and exports. Exports were $116,285,841 and imports $87,515,067. There is still a very fair balance of trade, but it is decreasing. A country so heavily in debt as Canada is and with foreign capital scarce and expensive, should keep the trade balance substantially on the safe side if possible, and it is questionable if some action should not be taken by taxation or other means to curtail imports of luxuries.

The outlook all round may be regarded as satisfactory. High prices will overcome any crop shortage, and demand for manufactured products will continue strong while the war lasts at least. What we need is careful administration of our internal affairs so as to use our rather limited liquid assets to the best advantage.

ARMOUR'S SOLUTION.

Advocates Better Distribution to Meet Food Problem.

Increased production of food, the great need of the Entente Allies and the United States, waits on improvement in the nation's distributive system, according to J. Ogden Armour.

Mr. Armour, who is recognized as one of the leading authorities on food purveying, says the farmers of this country will demonstrate their ability to grow food in abundance as soon as they are assured against glutted markets and ruinous prices at harvest time. He would solve the problem by increasing and improving the facilities for cold storage of such foods as can be kept in cold storages and for developing processes of drying or otherwise preserving other foods, thereby assuring an adequate supply of food at all seasons of the year. By putting the food business of the nation on the same sort of efficiency and economy basis that characterizes the big packing industries of the country, Mr. Armour believes the food problem in its entirety can be solved.

On the methods to be pursued by the farmers in their effort to increase production, Mr. Armour presents the formula, "diversify, fertilize, motorize, specialize." He advocates the fixing of a minimum price to protect the farmer and of a maximum price to protect the consumer.

Stock Movements of the Week

This table records securities active on the Stock Exchanges.

Banks—	Ask.	Bid.	High	Low	Last	Sale	High	Low
							Range 1917 to July 12	
Week ending July 19:								
Commerce	187	186	187	186	186½	123	188	183
Dominion	206	205	206	205	205	67	212⅛	203
Hamilton	...	190	190	190	190	5	192	189
Imperial	...	191	192	191	191	23	200½	190
Merchants	170⅛	...	167½	167½	167½	8	170	167½
Molsons	182	...	180¼	180¼	180¼	8	186	179½
Montreal	...	220	220	220	220	5	234	215
Nationale	150	148	148	148	148	10	134	134
Royal	211	...	212	211	211	31	214	210¼
Standard	...	205½	206	205½	205½	7	215	205
Transportation—								
Barcelona	11	10¾	11½	10¾	10¾	160	17	10½
Brazilian Traction	39¼	39	40½	39	39¼	1,339	47¾	37
Canada, Steam., com	42	41½	43	41¾	42	657	45½	29¾
Do., pref.	79½	78	81½	79	79	145	93¾	76¼
Canadian Pacific...	163½	161½	165	165	165	15	167½	149½
Detroit United ...	110	108½	109½	107	109	1,555	128	106½
Civic Invest.	76½	75½	76¼	75¾	75⅞	308	82¾	73⅞
Duluth Super., com.	43⅛	42	43	43	43	30	51⅛	43
Illinois Trac., pref.	...	84	84	84	84	45	89	83
Porto Rico, pref...	...	80	80	80	80	1	...	...
Quebec Railway ..	17	16	18	17	17	345	35½	18
Toronto Railway ..	75	74	75	74½	74¾	154	90½	73
Twin City, com.....	85	84½	84⅞	84⅞	48⅞	50	95	84
Telegraph, Light and Power—								
Bell Telephone	137½	...	137	137	137	8	150	138
Mackay, com.	82	81½	82½	82	82	192	90	81¾
Do., pref.	65	64½	65	64¾	65	48	68	64
Shawinigan W. & P.	122	120	121	119	119	157	130½	119¼
Industrials—								
Ames, Holden, pref.	...	49	49	49	49	100	61	48
Canada Bread, com.	15½	...	15	15	15	34	17	15
Carr. Factories, com	...	11	11	10	10	20	25	9¼
Can. Cement, com..	60¾	60	61½	60¼	60¾	397	69⅞	56
Do., pref.	92	91	92½	91	91	183	95¾	90
Can. Car, com......	31½	31	32	31½	32	205	46½	25¼
Do., pref.	70	69½	71	69⅞	69⅞	300	89	59
Can. Cottons, pref.	79	...	79	79	79	150	82	76½
Can. Locomo., com.	63	62	64	61¾	62½	1,515	64	52½
Do., pref.	90½	89	90	89½	90	19	91½	84
Can. Con. Rub., pref	...	96½	96½	96½	96½	4	97	95
Can. Gen. Elec., com	102½	101	103	102	102½	108	115½	100¼
Dom. Bridge, com..	135	125	127	125	125	84	170	125
Dom. Canners, com.	22½	21¼	23	22	22½	135	26	19
Dom. Iron, pref.....	...	90¼	92	92	92	40	95	89
Dom. Steel Corp...	58¾	58½	60	59	59	2,397	71½	52¾
Dom. Coal, pref....	...	90	90	90	90	15	96½	85
Dom. Textile, com..	85	83	84	83¼	84	97	89	76½
Do., pref.	...	101	101	101	101	5	105	99½
Laurentide	171	170	171	170	170	580	195	170
Maple Leaf, com....	103	100	102	102	102	10	115	90
Mon. Cottons, com.	55	51	52	52	52	10	58½	49
Nat. Steel Car, pref.	29	27½	28½	27½	28½	40	...	...
N.S. Steel, com.....	94½	93½	95½	93⅛	93¾	1,275	128	88
Ogilvie Flour, com.	150	145	145	145	145	105	145	137
Penmans, com. ...	71	71¼	72	71	71	43	73½	69
Riordon Pulp, com..	119	114	120	120	120	75	127	106
Span. R. Pulp, com.	14	12	14	14	14	103	19	13
Steel of Can., com.	54¼	53	56¾	54	54	1,625	71½	52
Do., pref.	...	90¾	91	90	91	670	100½	89¼
Toronto Paper	82	78	80	80	80	5	90	72
Tuckett Tob., pref..	80	...	80	80	80	40	83½	78
Inter. Petroleum..	13.65	13.10	13.50	1350	1350	100	...	...

REVIEW OF MARKET FOR MINING SHARES

Name.	Capital Authorized	Capital Issued	Week ending July 19			Close July 19	
			High	Low	Sales	Asked	Bid
COBALT STOCKS—							
Adanac	$ 2,500,000	$2,250,000	.18¾	.11¾	94,400	.13¾	.13
Bailey	5,000,000	4,250,000	.04½	.04½	3,000	...	...
Beaver Cons.	2,000,000	2,000,000	.37½	.31½	20,000	.35	.33½
Buffalo Mines	1,000,000	1,000,000	...	...	.....	...	...
Cham.-Ferland . .	2,500,000	2,312,850	.14	.12½	20,100	.14	.13½
Coniagas	4,000,000	4,000,000	...	...	......	4.38	...
Crown Reserve ...	2,000,000	1,999,957	.30	.29	2,100	.30	.29½
Foster	1,000,000	915,588	...	...	......	...	...
Gifford	250,000	....	.04⅞	.04¼	5,000	.04½	.04⅜
Great Northern ..	1,500,000	1,500,000	.07¾	.06½	11,100	.07½	.07¼
Hargraves	2,500,000	2,500,000	.13¾	.11¼	67,700	.13	.12¾
Hudson Bay	25,000	7,761	38.00	38.00	22	40.00	...
Kerr Lake	3,000,000	3,000,000	...	...	......	5.00	4.70
La Rose	7,500,000	7,493,135	.45	.45	150	.50	...
McKin.-Dar.-Sav. .	2,000,000	2,247,692	.58	.54	4,800	.54½	.54
Nipissing	6,000,000	6,000,000	7.80	7.50	400	7.95	7.80
Ophir	685,000	....	.11	.08	43,500	.09½	.09
Peterson Lake ...	3,000,000	2,401,820	.12½	.11	8,500	.12	.11½
Right of Way .. .	2,000,000	1,685,500	...	...	......	.05⅓	.05
Seneca-Superior .	500,000	478,884	.03	.02½	2,000	.02½	.02
Temiskaming	2,500,000	2,500,000	.39½	.32½	......	.32¾	.32¼
Trethewey	2,000,000	1,000,000	.16	.15	5,000	.15½	.14
Wettlaufer	1,500,000	1,416,590	...	...	......	.08	.06
PORCUPINE STOCKS—							
Apex	2,000,000	1,300,000	.06⅝	.05	43,100	.05	.04½
Dome Cong.	2,500,000	1,250,000	...	...	......	.08	.06
Dome Extension. .	3,000,000	2,200,000	.19	.16	13,300	.16½	.16
Dome Lake	2,000,000	1,227,017	.21	.17½	12,500	.19½	...
Dome Mines	5,000,000	4,000,000	12.00	11.00	965	11.00	10.25
Foley-O'Brien .. .	3,000,000	2,500,000	...	...	....	...	...
Hollinger	3,000,000	3,000,000	4.70	4.55	2,468	4.75	4.60
Jupiter	2,000,000	1,867,786	...	...	....	...	...
McIntyre	3,000,000	2,999,995	1.59	1.55	19,944	1.56	1.55
McIntyre Extension	2,500,000	2,000,000	...	...	....	...	...
Porcupine Crown..	2,000,000	2,000,000	.50	.48	3,306	.49½	...
Porcupine Imperial	2,000,000	1,409,200	.03	.02½	7,000	.03	.02½
Vipond	1,500,000	900,000	.32	.30	14,900	...	.31
Preston E. Dome.	3,000,000	2,000,000	.05¾	.04¾	3,500	.05	.04½
Schumacher	2,000,000	....	.47	.41	5,000	.46	.42
Teck-Hughes .. .	2,000,000	2,000,000	.58	.52	1,100	.56	...
West Dome Con...	3,000,000	2,000,100	.21	.18¾	31,750	.19½	.19¼
MISCELLANEOUS—							
Con. Min. & Smelt.	10,000,000	8,427,500	.26	.25¼	580	.25½	.25

ALL BUSINESS IS BADLY HIT BY ATTACK ON BIG PACKING FIRMS; CHARGES ARE WILDLY IMPROBABLE.

Continued from page 1.

receive the money—the higher profits and big wages we are getting in Canada to-day—would receive the $710,305 which the Davies Co. alone will pay as war tax this year, helping us to reduce our war debt, when we can more easily bear it. Omit jealousy, prejudice and use common sence and it requires little imagination to force the conclusion that these packers, and all business men like them, are deserving of public applause, instead universal brutal castigation.

Next week, we will give some insight into the other explanation for the extraordinary action of the Minister of Labor—the real cause, we believe—a plot to injure Flavelle. It has been in progress for some time. It was so apparant that over two months ago, The FINANCIAL POST began to investigate it. The Crother's report, though a great surprise, was unexpected.

In the meantime, in justice to all Canadian industries and investors in them, the Government must put up real business experts to investigate and report on the matter.

FARM LANDS IN CITY.

Assessment Amendment Causes Trouble at Victoria

Aldermen of Victoria, B.C., are puzzled as how to best overcome amendments at the last session of the Legislature to the Municipal Act, which gives owners of property within the city limits over three acres in size used exclusively for agricultural or horticultural purposes the privilege of having it assessed for what it is worth purely as agricultural land.

City Assessor Northcott reported to the Council last night that there is well over $1,000,000 of such property within the city limits that come within the scope of the amendment for the reduction. The reduction would mean a cut in the assessments to about $200 an acre. Much of the property is now assessed at $2,500 to $3,000 an acre. Such reduction would mean a sensational cut in the revenue of the city.

THE ROYAL BANK OF CANADA

Statement to the Dominion Government (Condensed)
Showing Condition of the Bank on June 30, 1917.

LIABILITIES.

Capital Paid-Up	$ 12,911,700.00
Reserve Fund	13,471,700.00
Undivided Profits	852,346.28
Notes in Circulation	22,804,118.49
Deposits	233,525,890.89
Due to Other Banks	5,370,927.58
Bills Payable (Acceptances by London Branch).........	572,705.33
Acceptances under Letters of Credit	987,609.16
	$290,496,997.73

ASSETS.

Cash on Hand and in Banks	$ 54,544,371.88
Deposits in Central Gold Reserves	9,500,000.00
Government and Municipal Securities	26,299,499.63
Railway and other Bonds, Debentures and Stocks.........	14,467,855.48
Call Loans in Canada	10,472,453.64
Call Loans elsewhere than in Canada	14,553,202.79
Deposit with Dominion Government for Security of Note Circulation	721,350.20
	$130,558,733.62
Loans and Discounts	$151,037,350.28
Liabilities of Customers under Letters of Credit as per contra	987,609.16
Bank Premises	6,315,222.44
Real Estate other than Bank Premises	1,598,082.23
	$290,496,997.73

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Established 1870
INVESTMENT AGENTS
Royal Bank Building, Toronto

The UNION BANK OF AUSTRALIA, Ltd

Established 1837. Incorporated 1880.
CAPITAL:—
AUTHORIZED and ISSUED £6,000,000
Paid-up Capital..£2,000,000
Reserve Fund....£1,960,000 Together £3,960,000
Reserve Liability of Proprietors.......£4,000,000
Total Capital and Reserve £7,960,000

Head Office: 71, CORNHILL, LONDON, E.C.

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John Dennistoun, Esq.
Hugh D. Flower, Esq.
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S. R. Livingston-Learmonth, Esq.
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Robert C. Nesbitt, Esq.
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Assistant Manager—WILLIAM J. ESSAME.

The Bank has 41 Branches in VICTORIA, 39 in NEW SOUTH WALES, 19 in QUEENSLAND, 14 in SOUTH AUSTRALIA, 22 in WESTERN AUSTRALIA, 3 in TASMANIA, and 44 in NEW ZEALAND. Drafts upon these Branches are issued by the Head Office, and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued — available throughout the world. Cable Transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

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Canadian Locomotive Company

LIMITED

NOTICE OF DIVIDEND

A Dividend of one and three-quarters per cent., being at the rate of seven per cent. per annum, on the Preferred Stock of the above Company, has been declared for the quarter ending 30th of September, 1917, payable on the 1st of October, 1917, to shareholders of record on the 10th day of September, 1917.

A Dividend of one and one-half per cent., being at the rate of six per cent. per annum on the Common Stock of the above Company, has been declared for the quarter ending the 30th of September, 1917, payable on the 1st of October, 1917, to shareholders of record on the 10th day of September, 1917.

NOTICE IS FURTHER GIVEN that the Transfer Books of the Company will be closed between the 10th and 20th days of September, 1917.
By order of the Board.

J. H. BIRKETT
Secretary

Kingston, July 18, 1917.

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WINNIPEG REGINA EDMONTON VANCOUVER

Home Office and Factories: NEWMARKET, ONT.

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MacLean's *for* August

Is a Midsummer Number

An August magazine will be read by most people when the languor of summer heat possesses them, when entertainment more than heavy stuff is most welcomed. Yet something worth while in the way of special articles is desired—this by the thoughtful few.

The August MACLEAN'S is excellently balanced, as you will see from these contents:

CONTENTS

Frenzied Fiction for the Dog Days—(Done by the Dipperful.) By Stephen Leacock.

The Human Side of Conscription. By H. F. Gadsby.

Winning the War in the Air. By Agnes C. Laut.

A Circus Story. By L. B. Yates.

Mam'selle Butterfly. By Arthur Beverly Baxter.

The Captain of the Susan Drew. By Jack London.

An Andy Doolin Yarn. By Hopkins Moorhouse.

A Detective Story. By Robert E. Pinkerton.

The Gun Brand. By Jas. B. Hendryx.

Women and Their Work—A New Department. Review of Reviews—Regular Department.

Yates who writes the Circus Story, was born in Hamilton. He wrote those stories about Paragon Pete and The Singin' Kid in the **Saturday Evening Post.**

Leacock is excessively humorous in his Dog Days Sketch, in which he talks about summering and simmering.

Miss Laut fancies that the war may be won by the birdmen, and if Uncle Sam produces 100,000 planes, she may be right.

Gadsby sits in the Press Gallery at Ottawa, and writes brilliantly always. His "Conscription" article is in order.

Pinkerton who writes the detective story, "Old Twilight," knows how to write this class of story.

By the way, Lord Northcliffe has promised an article for the September MACLEAN'S.

You can see that MACLEAN'S for August is just the right type for August.

At All News-Dealers
15 cents

THE MANITOBA FARM MORTGAGE RATE IS RAISED

Charge For the Future Will be 6½ Per Cent.

MARGIN YET TOO SMALL

Cost of Money and Administration Charges Indicate That Province Must Still Expect to Lose Money.

Winnipeg (Special.)—It is reported here on good authority that the rate on loans to farmers under the scheme of the provincial government will be advanced from 6 to 6½ per cent.

The development indicated in the foregoing item will be of much interest to those who have been following the farm mortgage situation in Canada and the efforts of Western Provinces to give cheap money to the man on the land. The advance in the rate is an acknowledgement of the trend of the money market to higher levels and an indication that the government has found that it cannot ignore the conditions prevailing in that market.

However, it cannot be argued that the advance will fully protect the province. Efforts to borrow money at 5 per cent., it is reported, have failed. The rate may be nearer 6 per cent. The new Winnipeg Waterways funds are costing in the neighborhood of 7 per cent.

The best organized mortgage companies in Canada cannot handle loans for an administrative expense of less than 1 per cent. It would be a conservative estimate that it will cost the province, especially in the organization stages, at least 1½ per cent. and probably considerably more with the usual government scale of salaries, etc. Thus it can easily be figured that if Manitoba loans money to farmers at 6½ per cent. there will still be a substantial burden to be borne by the ratepayers generally.

DIFFICULTIES IN THE SHIPBUILDING INDUSTRY

The Nova Scotia Commission Has Not Been Able to Accomplish Much

The Nova Scotia government at the last session of the Legislature placed the sum of $2,000,000 at the disposal of a commission to be used in any way that they considered wise in order to stimulate steel shipbuilding in Nova Scotia. The commission was later appointed with D. Macgillivray, manager of the Canadian Bank of Commerce in Halifax as chairman. The selection of Mr. Macgillivray, who is possessed of great determination and energy, was good.

But the commission is finding difficulties in the way. Even with the tremendous demand for tonnage it is not easy to get capitalists willing to invest the large sums necessary to build a modern shipyard.. The element of uncertainty is not lacking in the future. Then the commission is faced with the labor difficulty. Skilled men are not to be had. A number of interests have been in touch with the commission but so far nothing has materialized.

BRITISH CATTLE SUPPLY.

Effort for Capital May be Made in American Market

There have been no new developments of late in the activities of the British Cattle Supply company, as far as can be learned at the company's offices. There are some rumors current on the street to the effect that the company contemplates a change in their prospectus to permit of offering a bonus for the sale of stock. It is suggested that some of the directors place the blame for the comparatively limited sale of stock upon the apathy toward a stock carrying no bonus, and that the contemplated change is an effort to meet this situation. There is, however, another rumor to the effect that the company will endeavor to place a large block of their stock on the American market in the expectation that there will be a livelier interest in the issues across the line than has to the moment been displayed here.

FRIDAY'S PRICES.

Following are Canadian stock transactions at Friday morning's session:

	High	Low
N.S. Car	28	27½
Steamships	41½	41½
Do., pref.	79	78⅞
Steel of Can., pfd.	90½	90½
Pac. Burt	36	36
Brazilian	39¼	39
Maple Leaf	102	102
F. N. Burt, pfd.	89	89
Twin City	85	85
Duluth	42¾	42¾
Royal	210	210
War Loan (1937)	95	94⅞
Barcelona	10¾	10¾
Mackay	82	81¾

WAR PROFITS NEEDED TO MEET WAR TAXES

Price-Fixing Raises Complications Which Are Holding Industry in Check.

Best opinion of Wall Street is that the country is near parting of the ways so far as business prospects during the war are concerned. Wall Street is not in the doldrums, or sulking, but so far as it measures the country's business leadership, it feels that within a few months the question of whether war is to be conducted with abounding prosperity as a back log to support excess profits taxes and provide funds for relief work, will be settled.

The two main factors holding back the enthusiasm of industrial leaders are determination of exact size and application of excess profits tax and settlement of Government's attitude toward price fixation. And these are inter-dependent.

Business captains expect to pay big excess profits taxes. But they do ask how it is possible to collect $700,000,0000 to $1,000,000,000 in excess profits taxes and follow a policy of rigid price fixation. Business leaders contend that Government officials have not yet awakened to the fact that this is a national, not a party war; that patriotic efforts of business men have been for the country, not because of any particular love for the Administration.

It is because of failure of Government leaders to grasp fundamentals of industrial situation that many industrial captains are doing little or nothing. They are unwilling to expend stockholders money for expansion unless it is clear they are to be allowed a fair profit; and a fair profit for 1917 is measured in terms that in 1912 or 1913 would have seemed fabulous. It is realized that things in Washington are in a state of considerable chaos. Small men are attempting to handle too big jobs. All this was expected, and would be endured with cheerfulness could the economic status of business during the war be determined along broad and constructive lines.

This energizing power of the war should be a powerful stimulus to business. It should make raising of vast sums for war purposes easy. But if the Administration is not to kill the goose that might lay the golden egg, it must break through its miasmatic fog of theory and suspicion before long. Business men are anxious to cooperate, but cannot go the entire way.

NORTHWEST COMPANY, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 18th day of June, 1917, incorporating Clayton Dewitt Dean, engineer, Florence Mary Smith and Grace Gibb Galbraith, clerks, Shirley May Marris and Mildred McLean Gardiner, stenographers, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.:—(1) To search for and recover and win from the earth, petroleum, natural gas, coal, oil, salt, metals, minerals and mineral substances of all kinds, and to that end to explore, prospect, mine, quarry, bore, sink wells, construct works or otherwise proceed as may be necessary; to produce, manufacture, purchase, acquire, refine, smelt, store, distribute, sell, dispose of and deal in petroleum, natural gas, coal, oil, salt, chemicals, metals, minerals and mineral substances of all kinds and all products of any of the same; to trade in, deal in and contract with reference to lands or interests in land, mines, quarries, wells, leases, privileges, licenses, concessions and rights of all kinds covering, relating to or containing or believed to cover, relate to or contain petroleum, natural gas, coal, oil, salt, chemicals, metals, minerals or mineral substances of any kind; and to work, manage, operate, turn to account, explore, develop, and improve the properties of the company, whether mining, agricultural or otherwise; (2) To acquire, purchase, take on lease or license, hire, hold, use, sell, grant leases of, grant licenses of, exchange, alienate, dispose of and otherwise deal in or contract with reference to land or interests in land, personal property of all kinds or interests therein, rights, privileges, licenses and concessions; (3) To acquire, lease, construct, improve, own, use, operate, deal in or contract with reference to ships, boats, or vessels, of any description, wharves or wharfage facilities, docks and docking facilities, cartage plant forwarding plant, warehouses, and towing, wrecking and salvage plant or any interest in any of the same; (4) To manufacture and deal in appliances, implements, machinery, apparatus, goods and supplies in any way connected with or incidental to the operations of the company or to the use of any of the products of the company; (5) To deal in and contract with reference to timber lands, timber licenses and timber rights and to cut, render merchantable, handle, manufacture, deal in and contract with reference to timber and lumber of all kinds and all products thereof; (6) To acquire, lease, construct, improve, own, use and operate, works for the development of power, light and heat, to use, purchase, sell, supply, lease or otherwise deal in or contract with reference to power, light and heat, subject always to all local laws or regulations in that behalf; (7) To acquire, lease, construct, improve, own, use and operate, irrigation works and works for the supply of water for other purposes, and to use, purchase, sell, supply, lease or otherwise deal or contract with reference to water for irrigation or other purposes, subject always to all local laws and regulations in that behalf; (8) To manufacture, buy, sell, trade and deal in goods; wares and merchandise of all kinds; (9) To acquire, lease, construct, improve, maintain, own, use, operate, sell, let and deal in dwelling houses, lodging houses and hotels; (10) To operate ranches or farms for live stock or agriculture, to breed, raise, keep, render marketable and deal in horses, cattle, and live stock of all kinds and to produce and deal in all products thereof and all agricultural products; (11) To operate construction or building plants and to take and carry out contracts for building or construction work of any kind; (12) To undertake, carry on and execute transactions as financial or commercial brokers or agents, to act as general commercial agents, commission men and manufacturing agents, and to carry on the business of agency in all its branches; (13) Notwithstanding the provisions of section 44 of The Companies Act to subscribe for, purchase, assume liability under, acquire, hold, sell, exchange, dispose of or otherwise deal in or contract with reference to bonds, debentures, stocks or other securities or obligations or any estate or interest therein; and to apply or to accept, in whole or in part, as consideration for, satisfaction of or security for any contract, indebtedness or obligation, to or of the company, property, obligations, shares and securities of any kinds, at such valuation and upon such terms as may be agreed upon; (14) To furnish aid to any business or undertaking similar in whole or in part to that of the company with which the company may have business relations, by way of loan, bonus, endorsement, agreement, guarantee, management or other service, and to manage, supervise and control the same in whole or in part and to act as agent or attorney for the same; (15) To carry on any other business, which may seem capable of being conveniently or advantageously carried on in connection with the business of the company or calculated directly or indirectly to enhance the value of, to facilitate the realization of or to render more profitable any of the company's businesses, properties or rights; (16) To invest the moneys of the company not immediately required in such investments as may from time to time be determined; (17) To co-operate in, aid in, subscribe towards or subsidize any proceeding or undertaking which may seem calculated directly or indirectly to benefit the company; (18) To acquire or undertake the whole or any part of the business, property and liabilities of any person, partnership, association or company having objects altogether or in part similar to those of the company or carrying on any business which the company is authorized to carry on, or possessed of property which may seem suitable or desirable for the purposes of the company; (19) To apply for, purchase or otherwise acquire and to protect, prolong and renew patents, patent rights, trade-marks, formulae, licenses, protections, concessions and the like, conferring or relating to any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, exercise, improve, develop or grant licnses in repect of or otherwise turn to account the property, right or information so acquired; (20) To enter into partnership or in any arrangement for sharing of profits or expense, union of interests, co-operation, joint adventure, reciprocal concessions or otherwise, with any person, partnership, association or company carrying on or engaged in, or about to carry on or engage in, any business or transaction which the company is authorized to carry on or engage in or any business or transaction which may seem capable of being conducted as directly or indirectly to benefit the company; and to lend money to, guarantee the contracts of, or otherwise assist any such person, partnership, association or company and to take or otherwise acquire shares and securities of any such partnership, association or company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same; (21) To take or otherwise acquire and hold shares in any partnership, or stock or shares in any association or company having objects altogether or in part similar to those of the company or carrying on any business which may seem capable of being conducted so as directly or indirectly to benefit the company; (22) To apply for, promote and obtain from the Dominion of Canada or any other authority, whether Dominion, Provincial, Imperial, Colonial or foreign, and including subordinate and municipal authorities, any statute, ordinance, order, regulation or other authorization or enactment which may seem desirable to the company or calculated directly or indirectly to benefit the company; (23) To enter into any arrangements with any governments or authorities, supreme, provincial, civic, municipal, local or otherwise, that may seem conducive to the company's objects or any of them and to apply for, promote and obtain from any such government or authority any statutes, ordinances, licenses, contracts, orders, regulations, decrees, rights, powers, franchises, privileges and concessions or other authorization which the company may think it desirable to obtain, and to carry out, exercise and comply with the terms of the same; (24) To establish and support or aid in the establishment and support of associations, institutions, funds, trust and conveniences calculated to benefit employees or ex-employees of the company, or of its predecessors in business, or of any person, partnership, association or company allied with the company in business or subsidiary to the company or in which the company holds shares or securities, or to benefit the dependents or connections of such persons, and to grant pensions and allowances, and to make payments towards insurance and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object; (25) To promote, form, organize, manage, develop, take interests or stock or shares in and assist financially or otherwise any partnership, association or company for the purpose of acquiring or taking over all or any of the property and liabilities of the company or for any other purpose which may seem calculated directly or indirectly to benefit the company; (26) To acquire, purchase, take on lease, hire, construct, improve, own, use, maintain, operate, manage, carry out and control plant, equipment, machinery, supplies, buildings, works, shops, warehouses, elevators, manufactories, pumps, tanks, pipe lines, smelters, refineries, roads, ways, canals, bridges, electric works, electric plant, hydraulic works, hydraulic plant, boats, ships, docks, wharves, piers, gas works, cables, waterworks, reservoirs, aqueducts, flumes, ditches and all other structures, works, conveniences and appliances as may seem calculated directly or indirectly to advance the company's interests, and to contribute to, subsidize or otherwise assist or take part in the acquisition, purchase, leasing, hiring, construction, improvement, ownership, use, maintenance, operation, management, carrying out or control thereof; (27) To acquire, purchase, take on lease, hire, construct, improve, own, use, maintain, operate, manage, carry out and control, but only upon lands owned or controlled by the company, or over which the company may have a right or license to that effect, such roads, ways, bridges, lines of rail, spurs, sidings, tracks, rolling stock, cables, wires, motors, locomotives, electrical plant and all such other structures, works, conveniences and appliances as may be required for the purpose of maintaining communication by telegraph or telephone or of effecting the transport of goods or passengers, and to contribute to, subsidize, or otherwise assist or take part in the acquisition, purchase, leasing, hiring, construction, improvement, ownership, use, maintenance, operation, management, carrying out or control thereof; (28) To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; (29) To sell, exchange, lease, dispose of, turn to account or otherwise deal with or contract with reference to all or any part of the property or undertaking of the company, or any part thereof, for, such consideration as the companys may think fit, and in particular, and notwithstanding the provisions of section 44 of The Companies Act, for shares, debentures or securities or any other partnership, association or company; (30) To adopt such means of making known the products of the company as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and granting prizes, rewards and donations; (31) To sell, exchange, lease, dispose of, turn to account or otherwise deal with or contract with reference to all or any part of the property and rights of the company; (32) To consolidate or amalgamate with any other company having objects similar in whole or in part to those of the company; (33) To procure the company to be registered, licensed or otherwise recognized in any foreign country, and to designate and appoint persons therein as attorneys or representatives of the company with full power to represent the company in all matters according to the law of such foreign country and to accept service for and on behalf of the company of any process or suit; (34) To pay out of the funds of the company all or any of the expenses of or incidental to the formation and organization thereof and to employ, contract with and provide for the remuneration of brokers, commission agents and underwriters upon any issue of shares, bonds, debentures, debenture stock or other securities of the company; (35) To distribute or divide assets of the company in specie amongst the shareholders; (36) To do all or any of the above things as principals, agents, contractors or otherwise, and either alone or in conjunction with others; (37) To do all such other things as may seem directly or indirectly to be incidental to or conducive to or convenient or proper for the accomplishment of the purposes or the attainment of the objects of the company, or any of them, or expedient for the protection or benefit of the company; (38) No power granted in any paragraph hereof shall be limited or restricted by reference to or inference from the terms of any other paragraph hereof. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Northwest Company, Limited," with a capital stock of five hundred thousand dollars, divided into 5,000 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario.

Dated at the office of the Secretary of State of Canada, this 21st day of June, 1917.

THOMAS MULVEY,
Under-Secretary of State.

DIVIDENDS DECLARED.

Dominion Bridge Company, Limited

DIVIDEND NOTICE

A QUARTERLY Dividend of two and one-half per cent., being at the rate of 10 per cent. per annum, has been declared, payable August 15th, 1917, to Shareholders of record at the close of business on July 31st, 1917.

By Order of the Board.

R. MONTAGUE DAVY,
Secretary.

Montreal, July 18th, 1917.

Dominion Coal Company, Limited

Preferred Stock Dividend, No. 49

NOTICE is hereby given that a dividend of three and one-half per cent. upon the Preferred Stock of the Dominion Coal Company, Limited, has been declared payable 1st August, 1917, to shareholders of record on Saturday, 14th July, 1917.

C. S. CAMERON,
Secretary.

Montreal, July 6th, 1917.

PENMANS, LIMITED

Dividend Notice

NOTICE is hereby given that a Dividend of one and one-half per cent. has been declared on the Preferred Shares of the Capital Stock of this Company, for the quarter ending July 31st, 1917, payable August 1st, 1917, to Shareholders of record of July 21st, 1917, also a Dividend of one per cent. on the Common Shares for the quarter ending July 31st, 1917, payable August 15th, 1917, to shareholders of record of August 4th, 1917.

By Order of the Board,

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, July 13th, 1917.

Howard Smith Paper Mills, Limited

Dividend Notice

A DIVIDEND of 1¾ per cent. for the period ending June 30, 1917, has been declared, payable on July 20, to all holders of this Company's Cumulative Preferred Shares on record in the books of the Company at the close of business on the 13th day of July instant.

A dividend of 2 per cent. has been declared payable August 1st to all holders of this Company's Common Shares on record in the books of this Company at the close of business on the 20th day of July instant.

By order of the Board.

P. ROSS,
Secretary-Treasurer

Montreal, July 11, 1917.

The Riordon Pulp & Paper Company, Ltd.

Common Stock Dividend No. 6

NOTICE is hereby given that a quarterly dividend of 1½% being at the rate of 6% per annum, and a bonus dividend of 1% have been declared on the Common Stock of the Company for the second quarter of the year, payable August 15th, 1917, to shareholders of record at the close of business on August 8th, 1917.

By order of the Board,

F. B. WHITTET,
Secretary-Treasurer.

Montreal, July 13th, 1917.

Alleged Profits of The William Davies Company in 1916 on Bacon, as Indicated by Department of Labor to be Five Cents per Pound, Untrue:

Actual Profits Two-Thirds of a Cent Per Pound

THE statement issued by the Department of Labor concerning the business of The William Davies Company Limited, has been given widespread circulation throughout the country and provoked public unrest.

Whatever the technical wording of the report was, the effect has been that the newspapers have published that "the profits on Bacon alone" of this Company "for 1916" were about "five millions of dollars." This interpretation of the official report is not surprising in view of certain statements that the Commissioner of the Cost of Living makes. The Commissioner is reported as saying that "There were two individual cases of profiteering in 1916 and that had these cases occurred since the passage of the cost of living Order-In-Council, he would consider it his duty to recommend that the facts be laid before the Attorney-General for consideration as to their criminality." The situation created by such erroneous and damaging statements is serious as emanating from a Government official, from whom one looks for not only accurate statements but correct conclusions.

The William Davies Company, being a private concern, has followed the practice of all private corporations, except when it made a bond issue in 1911, in that it has not published reports of its assets and liabilities or profit and loss. The present circumstance, however, in which a Government Official has led the public to false conclusions, makes it advisable for this Company, for both the public interest and its own interest, to publish particulars of its business as well as point out the error of the statement of the Government Official.

For the last fiscal year ending March 27th, 1917, The William Davies Company bought and killed 1,043,000 head of Live Stock (Cattle, Hogs and Sheep). This, plus purchases of outside Meats, produced 160,000,000 pounds of Meat. The Company handled 6,550,000 pounds of Butter and Cheese, 5,650,000 dozens of Eggs, and manufactured 26,500,000 tins of Canned Goods.

The net profits on these were .68 cents (or two-thirds of a cent) per pound on meats, 1.04 cents on Butter and Cheese, 1.04 cents per dozen on Eggs, and .47 cents (or slightly less than one-half a cent) per tin on Canned Goods. These profits include profits on all By-Products derived from these accounts.

During the year the Company served at its retail stores 7,500,000 customers, the average purchase of each customer was 35c, and the net profit upon each sale was 5/8 of 1 cent.

The turnover of the Company from all its operations for the last fiscal year ending March 27th, 1917, was $40,000,000. The net percentage of profit upon this turnover, after deducting war tax, was 1.69 per cent., or including war tax 3.45 per cent.

The William Davies Company has assets of $13,385,000, of which $3,865,000 is tied up in fixed investments.

To provide the necessary facilities for the increased volume of business the Company expended $750,000 in buildings and equipment during the year.

Companies of other character present no more reasonable statement of profit and loss based upon the investments made in the business.

The William Davies Company offered to the Imperial authorities, as well as to the War Office Service (which represents the Imperial authorities in Canada) to place the output of its Factory with respect to Bacon supplies, Canned Beef and Pork and Beans at the service of the authorities, on the basis of cost plus an agreed percentage. These offers were successively declined as the authorities evidently desired to purchase in the open market, and on this basis The William Davies Company has secured War Office business by open competition with the world.

Respecting the Report of the Commissioner on the Cost of Living:—

Last Winter the Commissioner, under authority of Order-in-Council, required packers to submit statements under oath for some years back and up to December 1st, 1916, of incoming stocks of Meats and the cost of such, as well as statements of outgoing product and the selling value. This Company represented in writing at the time that the information as specifically required was not in accordance with Packing House Accounting methods, and invited the Commissioner to send an Officer to the Head Office of the Company to examine the books for any information desired, and to secure a viewpoint as to the best way of collecting data which would be of use to the Government. This offer was declined, and there was nothing to do but fill in the information required as literally as we could determine it. For example, there was no recognition of the fact that a raw product may enter a factory under a specific classification and leave the factory as a finished product under some other classification.

We submitted a series of accurate figures based upon our interpretation of the official requirements which made no provision for charges of any description other than incoming freight and unloading charges to be included in the cost or to be deducted from the selling price. There was nothing in the report which could be read so as to determine a profit and loss statement. The very fact that with only a statement based upon cost of raw products and value of sales in Great Britain a Government Official has deduced "Large margins," "Profiteering" and "Criminality" if it had occurred since the passage of a recent Act, shows too dangerous a trifling and incapacity to be permitted to deal with any important situation. The statements of this Company have been treated by the author of this report as if the outgoing product was identical with the incoming product, and from the series of reports he has singled out two items—the Bacon and Egg reports—and from them deduced an erroneous "margin" which the newspapers have interpreted as "profit." The author of the inquiry shows a strange lack of even a fundamental knowledge of simple bookkeeping and a dangerous inability to co-ordinate figures. The following are specific and outstanding errors in the report:

The principal item that is causing excitement deals with cold storage Bacon. The term "cold-storage" is not defined, and the public is allowed to make its own definitions. As all Bacon in a packing house is under refrigeration it is really all cold-storage, and therefore this Company's figures of cold-storage Bacon represent the complete quantity of Bacon handled in its entire Plant, whether in freezers or in process of cure for immediate shipment. That some Companies interpreted cold-storage product as "freezer" product only is evidenced by the smallness or entire lack of figures on the Bacon list for some Plants, indicating that many Firms did not submit statements of their complete stocks, as did this Company. An Official of this Company pointed out this cold-storage distinction to Mr. O'Connor and Miss McKenna in Ottawa a few weeks ago, and the failure to make the distinction after having had it pointed out evidences lack of desire for accuracy of the real information desired.

It is true The William Davies Company, in 1916, exported 97,791,000 pounds of Bacon, but we do not know how the margin of 5.05 cents per pound is arrived at by Mr. O'Connor, as there were no figures to justify such a conclusion. The probabilities are that the margin is arrived at by taking the average cost per pound of incoming product from the average selling price per pound of outgoing product. This may be a rough way of estimating the gross margin when dealing with small figures, but when dealing with figures the size that Mr. O'Connor has to deal with, a very small fraction of a cent per pound of error makes a very important difference in the total, and one must be careful to make sure that the outgoing product is the same finished merchandise of the incoming product reported on.

Allowing it to pass, however, as a rough estimate, we wish to point out—(first)—the inquiry of the Commissioner allowed only for incoming freight and unloading charges, and made no provision whatsoever for operating charges of any kind, such as labor, curing materials, refrigeration, et cetera. Such actual charges on the 97,791,000 pounds exported were $1,162,000—or 1.2 cents per pound. This amount covered all charges up to the point of placing the Bacon on cars f.o.b. packing-house. In addition to this was the actual cost to land and sell this 97,791,000 pounds in England after leaving the packing-house, which involved charges of 2.9 cents per pound—or $2,836,000. This 2.9 cents per pound included inland and ocean freight, landing charges, war and marine insurance, cables, and selling commission to agents. The ocean freight and war risk alone would make up 2.4 cents of the charge of 2.9 cents per pound. This 1.2 cents plus 2.9 cents—a total of 4.1 cents—must be deducted from Mr. O'Connor's margin of 5.05 cents per pound, leaving a margin of .95 cents, or slightly less than a cent per pound, which still has to be reduced because of the error of premises and because of further factors which have to be considered to determine net profits.

It is quite evident some of the other packers did not show selling values in the country in which the goods were sold—a proceeding quite proper, as the forms submitted to be filled in were indefinite and ambiguous, thus permitting without charge of evasion a variety of interpretation as to the information required. It is thus possible that of all the figures submitted by the different packers that no two sets of costs and sales prices are determined at the same common point. It is this difference of interpretation of what was required that accounts for the difference of the alleged "margin" made by the different companies. Common conclusions, however, have been drawn by the author of the report from varying bases of premises.

The figures of the Egg business were submitted on the same basis as Bacon, and similar deductions must be made.

(Second)—The above margin is further reduced in that the author of this inquiry singled out the Bacon figures as an item in which the selling price shows an alleged improper advance over cost, but he did not give us credit for the statements of other products, of which figures were submitted, the selling prices of which were under cost. The reason of this was that through failure to inquire the Department entirely overlooked the fact that product may come in as pork and, through the process of manufacture, go out as Bacon, or, in another instance, enter the factory as beef and go out in the form of canned meats; for example, much of the product which came in as pork, and which was entered on the pork sheet submitted to the Commissioner—about which he makes no mention—was cured and left the factory in the form of Bacon, and was, therefore, entered on the outgoing side of the Bacon sheet—the result is that the Bacon sales are increased by this amount over the incoming stocks of Bacon, and, likewise, the sheet showing sales of pork is reduced by the amount that went out in the form of Bacon. If the Department takes one set of figures that show favorable to the Company they should take another set of figures that show unfavorable, as the principle in either case is the same, and failure to do so looks as if the author of the report was exercising more enthusiasm than sound judgment in his investigations.

(Third)—It is queried in the report, that "if the margin of 3.47 cents," alleged to have been made in 1915, "was satisfactory, why was it necessary to show increased margin in 1916?" Assuming again for the moment the soundness of the premises in asking such a question based on an erroneous "margin," it will be found that the increased margin is chiefly absorbed in increased ocean freight rates and war risk insurance in 1916, of which apparently the author of the report was in ignorance.

The Company does not challenge either the legal or moral right of the Government to investigate business enterprises when public interest directs such an investigation should be made. If an investigation of the packing and meat business is ordered, the Company will place at the disposal of the Government not only the data it would be required to supply under Order-in-Council directing that inquiry be made, but will place the experience of its officers at the disposal of the investigating committee, if it is considered they can render any service which will be of value. The Company has not now—nor at any time during the fifty years of its operation—anything to conceal in method or practice of carrying on its business. It does, however, claim the right to conduct its export business without abusive comment from Government civil servants—especially when the conclusions drawn from the data asked for are improper and false.

One of Canada's chief export industries is the packing business. It is essential to the live stock industry, and, along with other export industries, it maintains the financial stability of this country and should, providing it is on a sound basis, receive encouragement and not slanderous abuse. In view of the publicity given to the report of the Commissioner on the cost of living, the Company demands the same publicity in having an official Government investigation of this report to determine the truthfulness or untruthfulness of its conclusions. We do not seek public consideration as a company, but we do say that untruthful official statements, or statements the effect of which is to create an untruth, adversely affect the live stock industry of this country, which is so valuable and essential a wealth-producing power and, in the long run, are harmful to the very people that the statement seeks to benefit.

If the passing out of existence of a corporation such as The William Davies Company, or if nationalization of packing houses would materially and permanently reduce food prices, then in view of the present world tragedy it ought to be consummated without delay. The fact of the matter is, however, that with millions of people in Europe turning from producers into consumers because of war, and the tremendous destruction of food products incident to war, there is no remedy for the high prices of food while such conditions last, except the remedy of thrift and increase of production.

Long before there was talk of a Food Controller in the United States or Canada The William Davies Company urged the Government at Ottawa, in writing, to appoint a Food Controller with full power to do what he saw fit, as we realized at that time the upward tendency in the price of food commodities unless checked by official effort. At the most a great deal cannot be done in reducing food prices while currency is inflated and until the scale of prices of all kinds of commodities declines also. What can be done can only be done by a Food Controller. We wish to point out that nothing at all can be accomplished unless the data secured are accurately and clearly made and the deductions therefrom sound. Only public harm arises from dangerous incompetency in the haphazard collection and careless use of important figures.

As far as The William Davies Company is concerned this terminates all public statements of the Company, and it will pay no more attention to speculative and haphazard statements made either by newspapers or civil servants. The only further statement that will be made will be at an official investigation.

E. C. FOX, General Manager

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Toronto, July 17th, 1917.

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MONEY, BANKING AND EXCHANGE

Bank Clearings for the whole Dominion show a gain of 15.9 per cent., in the West 8.3 per cent., and in the East 19.0 per cent.

Bank clearing returns reported officially to the FINANCIAL POST for the week ending Thursday last indicate a slight falling off as compared with the previous week, but are ahead of the figures for the corresponding period in 1916 by $33,100,460 or 15.9 per cent., while the clearings for the previous week showed a gain of 25.0 per cent., over the same period last year. Winnipeg showed a decline of $1,977,831 or 4.9 per cent. while Brandon and Hamilton also showed declines. The cities in the West to show the largest percentage gains were Regina; Medicine Hat; Lethbridge; Saskatoon and Edmonton, and in the East Brantford; Sherbrooke; Peterboro; Toronto and London. For the year to date the clearings amounted to $6,775,100,128 an increase over the corresponding period last year of $1,459,301,247, or 27.4 per cent. Comparative figures follow:

WEEKLY BANK CLEARINGS.

(In comparison with same week last year.)

Eastern Cities.

	July 19, 1917	Change.	%
Montreal	$ 86,687,492 +	$ 8,279,292	10.5
Toronto	62,922,518 +	16,669,900	36.0
Ottawa	5,957,267 +	596,625	11.1
Hamilton	4,649,099 —	16,152	.3
Quebec	4,725,145 +	670,246	16.5
Halifax	2,995,842 +	311,345	11.6
London	2,409,619 +	503,813	26.5
St. John	2,116,198 +	324,029	18.1
Brantford	865,255 +	266,168	44.4
Peterboro	672,504 +	177,362	39.8
Sherbrooke	714,174 +	218,658	44.1
Kitchener	570,129 +	92,031	19.2
Total, East	$175,285,242 +	$ 28,092,317	19.0

Western Cities.

	July 19, 1917	Change	%
Winnipeg	$ 37,724,425 —	$ 1,977,831	4.9
Vancouver	8,690,141 +	2,354,298	371.
Calgary	5,790,725 +	1,442,196	33.2
Edmonton	2,660,791 +	754,563	39.7
Victoria	1,587,240 +	48,755	3.1
Regina	3,184,144 +	1,203,257	60.7
Saskatoon	1,543,010 +	519,823	50.8
Moose Jaw	1,118,336 +	124,911	12.5
Ft. William	690,965 +	124,965	22.0
Brandon	526,308 —	142,697	21.3
Lethbridge	888,612 +	305,100	52 3
N. Westm'ster	366,315 +	50,958	16.1
Medicine Hat	557,080 +	198,845	55.5
Total, West	$ 65,328,092 +	$ 5,007,143	8.3
Grand Total	$240,613,334 +	$ 33,100,460	15.9
Yr. to date	$6,775,100,128 +	$1,459,301,247	27.4

U. S. BANK CLEARINGS.

Bank clearings in the United States for the week ending July 12 aggregate $6,020,569,000, against $5,949,499,000 last week and $4,902,127,000 in this week last year, an increase of 22.8 per cent. Following are the returns for this week and last, with percentages of change shown this week as compared with this week last year:

	July 12	I. or D.	July 5
New York	$3,518,584	I 18.1	$3,655,125
Chicago	503,400	I 30.4	464,838
Philadelphia	320,899	I 23.4	323,508
Boston	276,406	I 20.1	261,323
St. Louis	134,826	I 34.5	113,288
Kansas City	142,447	I 70.3	114,027
San Francisco	96,290	I 39.6	114,304
Pittsburgh	77,126	I 7.9	71,897
Cleveland	84,810	1 74.8	78,233
Detroit	52,959	I 23.5	48,638
Baltimore	47,361	D .4	52,503
Cincinnati	41,901	I 6.8	38,528
Minneapolis	28,306	I 10.6	24,203
New Orleans	36,379	I 80.6	31,330
Los Angeles	30,277	I 20.2	27,406
Omaha	31,661	I 47.2	28,632
Milwaukee	30,233	I 53.0	20,951
Atlanta	27,659	I 87.0	21,726
Louisville	21,211	I 15.0	15,951
Richmond	28,391	I 63.9	22,878
Buffalo	21,398	I 28.0	19,171
Seattle	25,102	I 63.8	19,336
St. Paul	15,776	D 7.1	12,722

MONEY.

Call money in London continued at 3½ to 4 per cent., during the whole week, unchanged from the previous week. New York has seen a changeable situation. Starting on Monday call money was 6 to 10 per cent., with 60-day time loans firming from the 3¾ to 4 per cent. of the previous week to 4 to 4½. By Wednesday call money stood at 6 per cent, with time loans about ½ per cent. firmer. This price stood for Thursday. Time loans are now at the same price as two weeks ago.

EXCHANGE.

Demand sterling fell slightly during the week, from the close of 4.75, 62½ to 4.75, 50, owing to high money rates. Cables remained unchanged at 4.76 7/16 where they had held for weeks past, up to the rise to 4.76, .55 one week ago.

French exchange while it did not recede to the point of two weeks ago, weakened a little, as it started at 5.75½ and dropped to 5.76⅛ by Thursday. Cables which on Monday rose to 5.74, fell again to 5.75⅛ on Thursday, a gain however on the 5.76½ with which last week had closed.

Rouble exchange fell off considerably. A week ago it was quoted at 23.70 and 23.80, but a new law was reached on Wednesday when it fell to 21.10 and cables touched 21.25 as compared with 23.50 at the week end. This led bankers to a feeling that support would be required for the market from the Russian Government before it would reach a higher level. However by Thursday there was a shade of an improvement, demand being quoted at 21.90 and cables at 22.00.

IMPERIAL.

The Imperial Bank of Canada has opened a sub-branch in Wetaskiwin, Alta., which will be open for business two afternoons weekly. This branch will be looked after from the New Norway branch, and the service will be a great convenience to the people of the Village and surrounding district.

MOLSONS.

Lieut.-Colonel J. A. Little, manager of the Port Arthur branch of the Molsons Bank, has resigned his position and will leave the employ of the bank at the end of the present month. Colonel Little has been manager of the branch at Port Arthur for the past fourteen years, and has been for thirty years in the bank's service commencing a generation ago at Trenton as a junior, and filling positions at Smith's Falls and London before removing to Montreal as assistant accountant, from which city he was promoted to be manager at Port Arthur.

He was formerly a member of the board of street railway commissioners in Port Arthur, and has always been prominently connected with the board of trade, being a past president of that institution. He has been closely identified with the organization and work of the 96th Lake Superior regiment, and succeeded Colonel Laurie some years ago as officer commanding, a position which he still holds. Colonel Little will be succeeded in the managership of the bank by H. A. Thomson, of Owen Sound.

TORONTO.

The Bank of Toronto has declared a dividend of 2¾ per cent. for the current quarter, being at the rate of 11 per cent. per annum, on its paid-up capital stock. This will be payable at the bank and its branches on and after the 1st day of September next, to shareholders of record at the close of business on the 15th of August next.

MERCHANTS' NATIONAL.

The meeting of the board of directors of the Merchants' National Bank in New York City has been postponed until Tuesday, July 31. Control of the bank was purchased recently by the Royal Bank of Canada, which, at the adjourned meeting, is expected to elect several new directors.

UNION BANK.

C. Brooks Marsland has been appointed to the managership of the Union Bank at Guelph, succeeding William Brown who has taken up duties in the Toronto office. Mr. Marsland has been manager of the Bank's branch at Smithville for over 5 years and during that time closely identified himself with the Board of Trade and other public organization and movements connected with the welfare of the community. On his departure he was presented with a wrist watch by the members of the Board of Trade of which he is a past president and in connection with which he has always displayed a live interest. The Smithville manager will be H. G. Parrott, who comes East from Deloraine, Man.

ROYAL.

The Royal Bank of Canada has recently made application for the erection of an office building on the west side of Yonge Street, near the corner of Yonge and College, adjoining the Bank of Commerce, at a cost of $22,000.

GERMAN FINANCIER DEAD

Fritz von Friedlaender-Fuld Was Favorite of Kaiser

Amsterdam.—A Berlin despatch reports the death there of Fritz von Friedlaender-Fuld, a widely known coal and oil magnate.

Fritz von Friedlaender-Fuld was the John D. Rockefeller of Germany and a prime favorite of the Kaiser. Born and raised a member of the Jewish faith, he took hold of his father's coal business at the death of the parent and found the affairs in a sadly tangled state. He succeeded in borrowing sufficient capital from relatives to pay off the debts of the concern and then reorganized the business. He extended his lines and soon controlled the richest coal fields in Prussia and Austrian Silesia. This was the foundation of the colossal fortune he accumulated, and at the time of his death he was regarded as the leading captain of finance in the German Empire.

His wife possessed a considerable fortune in her own right and was the heiress of a wealthy Jew of Amsterdam. Her name was Fuld. They lived in one of the most palatial establishments in Berlin, and the stables are second only to those of his sovereign.

When the Kaiser elevated Von Friedlaender-Fuld to the Herrenhaus or upper chamber of the legislature for Prussia, the coal baron and his wife renounced the Jewish faith and adopted that of the Roman Catholic Church. This was necessary in order to take his seat in the Herrenhaus. He was frequently a guest of the Kaiser at his Berlin palace and country estates and always was selected to start the subscription lists for any of the royal charities.

The Von Friedlaender-Fulds had only one child, a daughter, who several years ago was married to the Hon. John Mitford, a younger son of Lord Redesdale, whom she met while he was in Berlin to study his banking system. The bride's father settled $10,000,000 on her as a wedding present. The young couple quarrelled on the wedding trip and have lived apart ever since. The bride returned to the home of her parents in Berlin and assumed her maiden name. Her husband received a commission in the Royal Horse Guards and has been at the battle front since the start of the war fighting the Germans.

DEAR MONEY AHEAD

New York Banker Thinks the Rate Will Remain High.

That Wall Street may look forward to an uninterrupted period of firm money rates from now on is the opinion of a national banker, who possesses a keen sense of the money market. He says: "Whatever favorable factors the money market had in prospect are now removed. I refer particularly to the lowering of reserves under the Federal law. This has been accomplished. The withdrawal of Government funds from the banks shows that we cannot look for any extensive relief from this source. Virtually, we are now feeling the pinch of the Liberty Loan payment, and Government financing must henceforth be regarded as a constant pressure upon the money situation. It is true, that the final stage of Government financing is the distribution of the funds for the purchase of supplies, etc., but I believe these funds will remain largely in the interior. So far, they have not been in evidence in this market or the East.

"Personally, I cannot view security prices bullishly while the war lasts. Excess profit taxes and Government regulation of prices will be one factor and the money situation will be another. People in Wall Street are taking the wrong view of 'peace talk.' To my mind peace, when really in sight, will be a bull factor."

FINANCING THE FARMER.

Floating the Federal Farm Loan Bonds in the U. S.

A syndicate of powerful bankers has agreed to underwrite for the Government the first offering of United States Federal Farm Loan bonds, and they shortly will be offered to the public on a basis to net 4¼ per cent., or one quarter per cent. less than the fixed interest rate. From the willingness of this banking syndicate to handle the issue on a margin of but one-quarter of one per cent. it is apparent that it is the expectation that the bonds, backed by the Government, will find a ready market and that the transaction will prove profitable, slight as is the margin of profit.

Aside from the financial operation the embarkation of this group of powerful bankers into the field of farm mortgage investments, even by proxy and having behind them in the operation the endorsement and support of our Government, marks a new epoch generally for farm mortgages in the Eastern States, and it no doubt will lay the foundation for an increased popularity for this class of securities among Eastern investors. The Federal Farm bonds, yielding slightly more than the highest rate of savings banks in the Eastern States, will attract deposits from them, but they are not likely to disturb the general investment market where the demand is for income from investments greater than these bonds pay.

However, says an American contemporary, on the heels of the Government farm bond issue will come increased interest in farm mortgages as investments in a territory that hitherto has not warmed up to these securities, as was to be expected from the large amount of publicity, established farm mortgage investment bankers have given to their securities through extensive advertising in the magazines and newspapers. It is this kind of leadership that will call back money to the farms and lessen to a great extent the complaint that Eastern capital has been indifferent to the attractiveness of a sound farm mortgage as investments.

WAR AND BUSINESS.

Concentration on Vital Undertakings is Necessary for Success.

Recent assertions that all business cannot go on "as usual," but that there must be economy of energy, mobilization of activity and elimination of waste if we are to succeed in the war, have striking confirmation in an address delivered by Thos. W. Lamont, of J. P. Morgan & Co., before the New York State Bankers' Association. Mr. Lamont pointed out that we must speed up our energies, but we cannot do this unless we give attention to the elimination of production that is not vitally necessary to our national well-being and safety. "The notion that all business can go on undisturbed is mischievous," said Mr. Lamont. "Certainly it is absurd to say that business that is not serving the nation's purpose in time of war will not suffer. Necessarily it will suffer." Mr. Lamont went on to say that in order to bear the strain of new taxes and interest on the huge borrowing which war has necessitated, every ounce of national energy must be conserved and directed in the right channels, where waste is an unknown factor and where extravagance is not known. The people have at last sensed the situation aright and are cutting down on automobile buying, useless expenditures for trifles, food wastes, are eager to suppress the liquor traffic, especially for the period of the war, check exports to neutral countries where there is suspicion that such exports, or a large percentage of them, are going to the enemy and are indifferent to the passage of laws that will permit business to be pooled in the interest of the national plan to save energy and eliminate duplication of effort.

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EXCHANGE A BIG FACTOR IN PROFIT OF BRAZILIAN CO.

Annual Report Shows Effect of Money Market Regulation.

RECEIPTS MUCH IMPROVED

Local Conditions Very Satisfactory and Outlook Bright—Improvement in Exchange Rate Should Help Materially.

The fourth annual report of the Brazilian Traction, Light and Power Company is a document which conveys much of interest to the shareholders. This particularly refers to the relation between the local returns as shown in the company's operating revenues and the amount available to the investors in the form of net surplus in Canadian currency. As between the two exchange creates a large deficiency. Thus, while in 1913, before the outbreak of the war, there was a surplus available for dividends of $8,112,264, and gross earning of $71,911,937 milreis, the amount available for dividends in 1916, had declined to $5,674,642, although in the meantime the gross earnings had increased to 84,942,232 milreis. Increased expenses and charges made up a portion of this difference, but it was largely accounted for in the fact that the approximate rates of exchange which was 16d in 1913, was 12d in 1916. It is, therefore, a matter of relief to the shareholders to note that since the middle of April of this year the exchange value of the milreis has advance from the 12d level of 1916, to 13⅝d on June 13. If this improved rate is maintained during the remainder of the year, the net revenue of the company available for dividends should show a very substantial increase over that of last year.

From the following table, showing comparative revenue for the past three years and the distribution thereof, it will be noted that there has been a considerable increase in interest and administration charges, which in 1915 had materially declined from the level of 1914. However, the available surplus for distribution on dividends was such that after payments on preferred and common stock, there was a surplus of $823,154 to be added to the previous surplus of $4,367,831. These figures indicate that the decision of the directors to suspend the common dividend was due to a desire to conserve liquid assets in view of the exchange situation and other abnormal conditions rather than to a lack of available funds.

BRAZILIAN TRACTION

	1916	1915	1914
Revenue	$5,764,764	$5,339,192	$7,523,695
Interest	254,709	273,683	535,117
	$6,019,473	$5,612,876	$8,058,812
Charges	344,831	218,074	392,280
Surplus	$5,674,642	$5,394,801	$7,666,532
Pref. divs.	600,000	600,000	600,000
Ord. divs.	4,251,488	4,249,380	6,257,119
	$4,851,488	$4,849,380	$6,857,119
Surplus	823,154	545,421	809,413
Previous	4,367,831	3,822,410	3,012,997
Total	$5,190,985	$4,367,831	$3,822,410

It is pointed out in the report of the Secretary, Mr. J. M. Smith, that the reduction in the surplus of net revenue for the last two years, attributable to the decline in exchange from the rates prevailing for several years before the war, was approximately $3,000,000 for 1915, and $3,300,000 for 1916. Illustrating the effect of adverse exchange, the following table has been compiled covering the returns of the past three years, showing the earnings in milries, the rate of exchange and the revenue in Canadian dollars:

EARNINGS AND EXCHANGE.

	1914 Milries	1915 Milries	1916 Milries
Gross earn.	73,184,714	77,119,208	84,942,232
Net earn.	41,879,569	44,176,866	46,526,196
Exchange	15d	12d	12d
	Dollars	Dollars	Dollars
Revenue	8,058,813	5,612,876	6,019,473
Surplus	7,666,532	5,394,802	5,674,642

Higher Earnings Continue.

The report states that the increase of earning in 1916 was specially marked in the second half of the year and that this improvement has continued during the first four months of 1917, indicating a general improvement in business conditions, which, with the better exchange rate prevailing should be reflected in improved returns for the shareholders.

Of the increase in gross earnings during the year, it is pointed out that a portion is attributable to higher rates for the gas and electric light and telephone services in the City of Rio de Janiro, which, by virtue of the company's contract, are regulated by the exchange value of the milreis. A relatively small increase in the net earnings is chiefly accounted for by the extremely high cost of coal and other material. Ships under charter to the Rio Company for the carrying of coal were during the greater part of the year, under requisition by the British admiralty. The bulk of the coal was, therefore, carried by other ships chartered at rates four or five times greater than those current before the war, thereby greatly increasing the cost of manufacturing gas.

Reference is made to the new company, the Rio de Janeiro and Sao Paulo Telephone Company, which has acquired the shares of five local telephone companies comprising the whole of their share capital with the exception of a few shares in two of them which are still outstanding. The arrangements for the purchase of a controlling interest in these companies was consummated early in 1914, but, owing to the outbreak of war, it was unable to complete the financing by a bond issue. Funds were provided by an issue of $7,500,000 of 3-year 6 per cent. notes, $2,627,000 being set aside for the development of the property and the balance being applied in discharging the temporary loans secured against them. In the ordinary course these notes will be retired by the sale of new bonds. The plan of the company is to consolidate these several industries into one comprehensive telephone system and work in this direction is being carried out.

Earnings of Subsidiaries.

RIO DE JANEIRO TRAMS.

	1916	1915	1914
Net revenue	$5,057,310	$5,031,268	$5,031,268
Bond int.	2,557,310	2,531,268	2,531,268
Sinking fund.	250,000	250,000	250,000
Dividends	2,250,000	2,250,000	2,250,000
Reserve	1,750,000	500,000	....
Depreciation	750,000	....	....
	$7,557,310	$5,531,268	$5,051,268
Deficit	2,500,000	500,000	....
Balance	2,556,542	3,056,542	3,056,542
Net surplus	$ 56,542	$2,556,542	$3,056,542

SAO PAULO TRAMS.

	1916	1915	1914
Net revenue	$1,513,021	$1,499,999	$1,499,999
Interest	513,021	499,999	499,999
Dividends	1,000,000	1,000,000	1,000,000
Reserve, etc.	1,600,000	....	....
	$3,133,021	$1,499,999	$1,499,999
Balance	$ 32,757	$1,632,757	$1,362,757

SAO PAULO ELECTRIC.

	1916	1915	1914
Net revenue	$ 486,666	$ 636,666	$ 586,666
Interest	486,666	486,666	486,666
Dividends	....	150,000	100,000
	486,666	636,666	586,666
Balance	$ 56,112	$ 56,112	$ 56,112

It will be noted that in the case of Rio de Janeiro Trams and Sao Paulo Trams, the large surpluses which have been on the books of these companies, have been appropriated for reserves and depreciation, thus reducing the surpluses to a comparatively small figure.

The gross earnings of the Rio de Janeiro Tramways at 59,009,971 milreis showed an increase of 10.2 per cent. Operating expenses were 26,698,460 milreis, or 35.24 per cent. of the gross, net earning at 32,311,411 milreis showing an increase of 1,314,411 milris, showing an increase of 1,314,926 milreis. The receipts from the tramways exceeded those of 1913, which were the highest in the history of the company. Electric light and power receipts were also higher, but the net earnings of the gas company declined owing to increased cost of fuel, materials and freight. The gross earnings of the telephone companies for the year were 5,778,281 milreis, an increase of $16.84 per cent. The net earnings were 2,688,468 milreis, an increase of 18.7 per cent.

The gross earning of the Sao Paulo Tramways were 18,832,365 milreis, showing an increase of 12.88 per cent. The net earnings at 12,326,782 milreis were higher by 16.1 per cent.

The balance sheet shows combined assets of $111,971,151, of which current assets amounted to $5,508,173. Current liabilities were $2,968,826. In 1915, current assets were $5,757,896, and current liabilities $3,931,836. The surplus of current assets over current liabilities was therefore $2,539,347, compared with $1,826,060 in the previous report.

RIO DE JANEIRO TRAMS.

	Miles of track	Passengers carried	Incand. lamps	Arcs	H.P. Motors	Gas sales cubic feet	Rio phones
1908	64.12	94,163,890	40,179	1,822	9,282	23,991,384	....
1909	137.46	93,730,694	90,204	2,177	18,071	23,860,543	....
1910	212.93	147,264,639	173,417	5,252	36,221	23,996,375	....
1911	223.26	167,718,528	288,985	7,523	51,064	24,686,873	....
1912	230.37	183,272,559	419,413	9,084	58,288	24,045,431	9,020
1913	236.79	195,783,634	683,937	10,821	63,539	25,242,332	11,379
1914	236.68	192,103,635	766,038	10,885	74,721*	26,773,419	11,669
1915	237.02	191,556,302	800,802	10,882	93,892	34,657,700	11,811
1916	237.15	198,677,975	836,269	10,860	97,858*	32,761,800	14,313

*Cubic metres.

SAO PAULO TRAMWAY.

	Passengers carried	Light consumers	Incand. lamps	Power consumers	H.P. contracted
1906	20,988,996	3,926	37,096	245	4,900
1907	23,435,476	3,983	44,319	310	6,002
1908	24,598,518	4,209	51,320	361	9,555
1909	26,111,382	4,727	62,321	428	11,788
1910	31,827,699	5,343	74,302	535	16,172
1911	36,794,120	6,196	96,011	737	21,886
1912	48,113,109	8,245	124,004	1,045	27,841
1913	56,776,702	12,148	175,395	1,271	33,104
1914	53,732,292	16,386	215,953	1,321	30,240
1915	51,574,145	22,414	272,905	1,439	38,896
1916	55,154,564	28,757	332,392	1,494	40,491

Conserve the Food!
VICTORY
FIGHT WORK PAY
NATIONAL SERVICE

Kitchen Economy Serves the Same End as Farm Production

"Waste in time of peace is a sin; in this time of national stress it is a crime."
Sir Robert Borden, Premier of Canada.

THE shortage of wheat this year is variously estimated in hundreds of millions of bushels!

There are just two ways to prevent such hunger as the present generation has never known—to grow more and waste less.

The men on the farms are doing their utmost to grow more.

The women in the houses can perform an equally valuable national service by wasting less.

The average Canadian family wastes enough to feed a soldier. If you permit such waste to go on in your home you are serving the enemy!

Buy intelligently—use the food economically—cut out all waste! Turn the money thus saved to your country's service by investing it in Canadian War Savings Certificates.

For each $21.50 you lend to Canada now, you will receive $25.00 in three years—or you can get your money back at any time. Certificates are issued in denominations of $25, $50 and $100, and may be purchased at any Bank or Money Order Post Office.

THE NATIONAL SERVICE BOARD OF CANADA,
OTTAWA.

7

GOLDWYN PICTURES LIMITED.

PUBLIC Notice is hereby given that under the First Part of Chapter 79, of the Revised Statutes of Canada, 1906, and known as "The Companies Act," Letters Patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 19th of June, 1917, incorporating George Herbert Sedgewick and James Aitchison, Barristers-at-Law; Albert Benjamin Nind, Student-at-law; Stanley William Gordon, Law Clerk; and Duncan Angus McCrimmon, Accountant; all of the City of Toronto, in the Province of Ontario, by the name of "Goldwyn Pictures, Limited" for the following purposes, namely:—(a) To produce or acquire by purchase, lease, exchange or otherwise, motion picture films and to exhibit and distribute motion picture films and generally to carry on in all its branches a theatrical business; (b) To manufacture, buy, sell and deal in goods, wares and merchandise of all kinds; (c) To purchase, take on lease or in exchange, hire or otherwise acquire, any real or personal property or any rights or privileges which the company may think necessary or convenient for the purposes of its business or capable of being profitably dealt with in connection with any of the company's property or rights, for the time being; (d) To purchase, lease or otherwise acquire and to hold, exercise and enjoy in its own name, all or any of the property, franchise, good-will, rights, powers and privileges held or enjoyed by any person or firm or any company or companies carrying on a business in whole or in part similar to that of the company, and to pay for such property, franchise, good-will, rights, powers and privileges wholly or partly in shares of the company wholly or partly paid up and to undertake the liabilities of any such person, firm or company; (e) To aid in any manner any corporation any of whose shares of capital stock, bonds, debentures or other obligations are held or are in any manner guaranteed by this company and to do any act or things for the preservation and protection, improvement or enhancement of the value of any such shares of capital stock, bonds, debentures or other obligations, and to do any and all acts tending to increase the value of any of the property at any time held or controlled by this company; (f) To carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights; (g) To apply for, purchase or otherwise acquire, any patents, brevets d'invention, grants, leases, licenses, concessions and the like conferring any exclusive or non-exclusive or limited right to use, any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to pay for the same in cash, shares or other securities of the company or otherwise, and to use, develop or grant licenses in respect of, or otherwise turn to account the property rights or information so acquired; (h) To enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the company, and to lend money to, guarantee the contracts of, or otherwise assist any such person or company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, reissue, with or without guarantee, or otherwise deal with the same; (i) To enter into any arrangement with any government or authorities, supreme, municipal, local or otherwise that may seem conducive to the company's objects or any of them and to obtain from any such government or authority any rights, privileges, concessions or franchises which the company may think it desirable to obtain, and to carry out, exercise, comply with or surrender any such arrangements, rights, privileges, concessions and franchises; (j) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company (or its predecessors or associates in business) or the dependents or connections of such persons, and to grant annuities, pensions and allowances, and to make payments towards insurance and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object; (k) To promote any company or companies for the purpose of acquiring or taking over all or any of the property and liabilities of the company, or for any other purpose, which may seem directly or indirectly calculated to benefit the company; (l) To construct, improve, maintain, work, manage, carry out ticular for shares, debentures, debenture stock or other securities of any other company; (p) With the approval of the shareholders, to remunerate any person for services rendered to the company in such or control any roads, ways, branches or sidings, bridges, reservoirs, watercourses, wharves, manufactories, warehouses. electric works, shops, stores and other works and conveniences which may seem calculated directly or indirectly to advance the company's interests, and to contribute to, subsidize or otherwise assist or take part in the construction, improvement, maintenance, working management, carrying out or control thereof; (m) To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; (n) To purchase, take or acquire by original subscribtion or otherwise and to hold, and with or without allotment of shares; bonds or other securities of the company wholly or partly paid up, but nothing in this clause contained shall be deemed to limit the power of the directors to fix and pay the salary of any and all servants, agents and employees of the company; (q) To lend money to customers and other persons, firms and corporations having dealings with the company and to take security for the loan of such money; to guarantee the performance of the contractual and other obligations of any such customers and other persons, firms and corporations and any or either of them and to give any guarantee or indemnity as may seem expedient; (r) To adopt such means of making known the products and exhibitions of the company and of the persons, firms or corporations having contractual relations with the company as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and guarantee to sell or otherwise dispose of shares, stock, whether common or preferred, debentures, bonds and other obligations in and of any other company carrying on a business in whole or in part similar to that of the company and to pay for such shares, stock, debentures, bonds, and other obligations either in cash or partly in cash or to issue shares of this company fully paid up or partly paid up in payment or partly in cash and partly by the issue of shares of this company fully paid up or partly paid up, and, notwithstanding the provisions of Section 44 of the said Act, to use the funds of the company in the purchase of shares, stock, debentures, bonds and obligations in and of any other company carrying on a business in whole or in part similar to that of the company, and to vote on all shares so held through such agent or agents as the directors may appoint; (o) To sell, let or hire or otherwise deal with or dispose of the undertaking and assets of the company or any part thereof for such consideration as the company may think fit and in parparticular for shares, debentures, debenture stock or other securities of any other company; (p) With the approval of the shareholders, to remunerate any person for services rendered to the company in such manner as the company may deem expedient, and more particularly by the issue and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations; (s) To pay out of the funds of the company all expenses of or incidental to the formation, registration and advertising of the company, or in or about the promotion of this company or the conduct of its business; (t) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the company; (u) To do all or any of the above things either as principals, agents, contractors or otherwise and either alone or in conjunction with others and either by or through agents, sub-contractors, trustees or otherwise; (v) To do all such other things as are incidental to the attainment of any one or more of the above objects and so that the objects specified in each paragraph of the clause, shall, except when otherwise expressed in such paragraph be in no wise limited or restricted by reference to or inference from the terms of any other paragraph or to or from the name of the company; The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Goldwyn Pictures Limited," with a Capital Stock of Forty thousand Dollars, divided into Four hundred shares of One Hundred Dollars each, and the chief place of business of the said Company to be at the City of Toronto, in the Province of Ontario.

Dated at the office of the Secretary of State of Canada, this 19th day of June, 1917.

THOMAS MULVEY,
Under-Secretary of State.

THE FINANCIAL POST OF CANADA

President - - - - - - JOHN BAYNE MACLEAN
Vice-President - - - - - - - - H. T. HUNTER
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Toronto, July 21, 1917.

BORROWING AND TAXING.

THE negotiations of Sir Thomas White, minister of finance, for the placing of a Canadian loan in the United States will be followed with interest by Canadian business. The indications are that he will be successful although the measure of success will depend largely upon the amount secured. In fact THE POST has the best of reasons for believing, as stated last week, that it is largely a question of arranging whether the flotation will be taken up by the American government as part of the Allied scheme of financing or whether it will be placed on the open market.

In order to meet her war burdens Canada should develop her production. Capital is an important factor. It is good policy for Mr. White to borrow all he can on the outside markets for there are indications that if the war continues foreign borrowing will become more and more difficult. Then the trade relations between Canada and the United Staes, particularly as regards raw materials for munitions, present a strong argument in favor of national credit from the United States.

At the same time we believe that Mr. White should not delay in enforcing an equitable scheme to increase taxation. If further foreign loans simply result in taxation being postponed the benefits to the country will be largely lost. An individual is wise to borrow upon assets which can be developed thereby, but will gain no benefit if daily extravagance prevents him meeting the interest on his obligations. And so with the nation.

When Mr. White brought down his last budget THE POST stated that while the minister avoided the income tax that either he or his successor would have to adopt it. An income tax is now proposed for the present session of Commons. We are informed that the minimum amount will not be lower than $4,000. We sincerely hope that Mr. White will make no such decision. It is imperative that taxes should be equitable on all the people. An income tax should start at $1,000 at say 1 per cent. and increase as the scale ascends.

TAXATION should serve two ends—it should increase revenue and it should check extravagance. To check extravagance the mass of the people must be taxed. Merely taxing the wealthy is to discourage the accumulation of that capital which is so necessary to maintain national production and to create national wealth. Production must be encouraged and extravagance discouraged if we are to discharge the war burdens we are shouldering.

THE PAPER INVESTIGATION.

THE daily newspapers, when they found prices of newsprint had risen 50 to 60 per cent, decided to appeal for relief, under the War Measures Act, to the Minister of Finance. Afer a private departmental investigation, he decided there was no reason, except a combination among manufacturers, for the prices demanded, and decided that an advance of 25 per cent. would give them a generous increase in their profits.

The financial, trade, and technical newspaper publishers, who use a better grade of paper, were hit far worse than the users of news print. The manufacturers of this grade of paper formed a combination and adopted methods which the publishers consider outrageous. Their paper was advanced 100 to over 200 per cent. Canadian magazines have to pay two and three times as much for paper, as their U. S. competitors pay for the paper they use and which is made from Canadian pulp. There is no duty on newsprint, but there is on book papers.

The Business Press publishers appealed to the Government and asked for a public investigation. They took the ground that a star chamber inquiry would not only arouse suspicion, but created a very bad precedent. It would put in the hands of a politician or clique a power over an industry that should not be allowed in any free country. This is what is happening in Ontario. At first, the Minister of Finance, ignorant of the national services of the financial, agricultural, trade and technical press, particularly since the war started, said nothing could be done for them, as they did not come under the War Measures Act. Later it was shown that not only had their services to the nation been of greater value to Canada than the daily press, but that thousands of copies of Canadian technical papers were purchased by munition and other manufacturers in Allied countries, and that Australia, India, and Russian Governments had reproduced series of articles from Canadian technical papers, for distribution to the manufacturers of war material. The Government then took the matter up, and as requested, ordered a public investigation.

Subsequent experience tends to prove that the policy of the financial and allied press was the right one. The action of the Minister of Finance was generally regarded throughout the country as very high handed, and certainly, in the House of Commons, the daily press found little sympathy, and much condemnation. Public opinion was with the paper makers and against the daily press. The investigation before Mr. Pringle began, the daily press ignored it, while the financial and allied papers attended. The daily press at first even refrained from giving any publicity to the proceedings. Better counsels prevailed, and a synopsis of each day's evidence, some of it, not altogether fair to the paper makers, appears. The evidence produced so far, is so unfavorable to the paper makers, that public sentiment is swinging against them, and they ought not to forget that in a democracy, public sentiment rules. If hints are to be believed, the most damaging evidence is yet to come.

A PUBLIC SERVANT NOT AN AUTOCRAT.

ROBERT S. WHITE, who recently retired from the Customs Collectorship, Montreal, received a purse exceeding $20,000 from the business men of Montreal. One is always suspicious of money raised and presented to public officials. It does not always represent the spontaneous feelings of the contributors. This acknowledgement of Mr. White's services is one of the rare exceptions. He recognized that he was a public servant, not an autocrat; and that his first duty was to satisfy the people with whom he, and the organization under him, did business. There has been a great improvement in the treatment of the public by officials in the last few years, and Mr. White was a pioneer in setting the example. The business men of Montreal have done an honor to themselves in honoring the late collector. Mr. White resumes the editorial chair of The Montreal *Gazette*; and the financial and business interests of the country hope he may be long spared for further public service.

BETTER PAY AND PENSIONS.

THERE is some agitation for higher pay for our men at the front; and for still better war pensions for those entitled to them.

When Frank Darling began his successful campaign for a more generous pension scheme, than the one the Government had decided upon, he received his greatest encouragement from the financiers and business men of the country—the men who would personally bear the greatest burden of pension taxation.

And to-day, when the question of still better treatment of our men who have faced danger on sea and land is being considered, we have no hesitation in saying that these interests will give it cordial support. The feeling is growing that our fighting units have been unjustly treated, in comparison with those who remained to perform the very necessary work of producing food and supplies. The time has come when pay and rewards should be equalized—when the men who take the greatest risks should receive the greatest pay. In considering the question we must bear in mind that, while some, in the early days, enlisted with an interesting holiday trip in view, the great majority who have gone overseas joined as a matter of duty. An inquiry at any place of business will reveal that the men who enlisted were among their best employees; their most useful, most promising young men. To offer them a less reward than we are paying the munition, railway, and other workers, is a grave injustice.

THE FUNCTION OF THE MARKET.

BY a not inconsiderable section of the public the stock market is regarded as a gambling institution, grouped with the race track and the gaming house. To the average investor it is a clearing house for transactions in securities. Only to the closer students is it recognized as the great regulating force in the operation of the elaborate and intricate industrial and business machine which has been built up in modern times.

Just recently there has come the news that the automobile appetite for expensive machines in the United States is failing; that sales show a falling off. It is over six months ago that the stock market saw the commencement of a process of readjustment of motor security prices which was quite evidently due to the influence of conditions which had not yet been brought about. Thus there was a gradual adjustment of values and not the sudden slump which might have resulted in a panic with the public stockholders suffering. This is but an instance of the process of equalizing which is steadily going on.

The stock market promises to be the industrial safeguard in the post-war readjustment. It may be claimed that it partially failed in the crisis of the outbreak of the conflict. But it must be remembered that war was an absolutely unforeseen development—in this country at least—and, even so, it was the control which the market exercised over the situation which prevented a much greater panic. The end of the war is foreseen. There is, therefore, an opportunity to make preparation for it. Just what or how the end will be cannot be definitely foretold but the investor may take it that after-war conditions are a big factor in the daily market adjustments and that these adjustments will be comparatively gradual unless, of course, developments are very sudden or altogether unforeseen.

EDITORIAL NOTES.

EVERY additional Hydro-Electric horse power used in Canada means the yearly liberation of from 10 to 12 tons of coal for domestic heating or other purposes. Therefore, everything possible should be done to encourage hydro-electric development. Yet we find that the policy of the Ontario Hydro Commission is to discourage any other development than its own and to thus monopolize the power market.

* * *

WHAT has the country benefited from the investments made in railroads by the government? The *Financial World* of New York, answers that there has been a return to the people of $1,000 for every dollar put into the development, this return being in enhancement of land values and in trade as well as trade opportunities. The trouble is that the railroads have developed ahead of the country and must wait on the country to catch up with them.

* * *

ANDREW KELLY of the Western Canada Flour Mills calls the black bread advocates "food fakirs." In brief, he argues that if wheat by-products go into flour the live stock industry will suffer and any advantage will ultimately be lost. The food controller's problem is by no means a simple one.

THE DECIDING PLAY IN THE GAME OF LIFE

The Precept on Which a Young Business Man Achieved Big Success in Business World.

THOMAS E. WILSON, the head of a large packing concern in Chicago, Wilson Co. successors to Sulzberger & Sons Co., tells in The American Magazine some of the precepts he has followed in winning success. That he has won success is evidenced by the fact that at 49 years of age he is head of so large a concern with a salary of $125,000 a year. His main idea in business has always been that each task, no matter how small, may be the thing to determine his whole career. He says:

My first job was an unimportant clerkship with the Burlington railroad, at forty dollars a month. It took me a long time to land that job. There were other places to be had, some of them at higher wages, in groceries and small shops, but I wanted to get myself identified in some way with a big concern like a railroad, so that when I got to the top it would be worth all the trouble of making the climb. I had a bland confidence in what the future held in store for me and fully expected to become the president of the Burlington.

One day, however, before I had quite got around to becoming president of the road—in fact, while I was still drawing only forty dollars a month—the packing firm of Nelson Morris & Company asked the Burlington people to pick them a man to keep the records of their refrigerator cars. The chief clerk selected his assistant. An hour or so after going to the stock yards to look over the new job, the assistant returned in a high state of disgust, exclaiming: "Not for me! I wouldn't work in as smelly a place as that for any hundred dollars a month."

That about the hundred dollars a month made me prick up my ears, and I asked if I couldn't have a chance at the job. They gave me the chance and I went to work for Morris & Company. I was not particularly enthusiastic about the malodorous surroundings, as they were in those days, for my olfactory sense was normally keen, but I couldn't help feeling that maybe I was answering a call of opportunity.

I found that I could sit quietly at a desk and hold the car-checking job; but I got interested and wanted to know all about the handling of the cars and the repairing of them. So I put in a good deal of time in the yards. After a while I was placed in charge of all car repair work. The company began to build its own cars and I was entrusted with the management of that. Then I got to be the head of the purchasing department, and looked after the buying of supplies and construction material for the whole plant. They next gave me charge of all construction work, and this led to my being sent to various points throughout the country to locate new branch wholesale plants. I also had to select men to run these new branch establishments.

Picking Out the Right Kind of Man

It was in this work of picking men that I got an opportunity to learn how to size up and handle other people. Knowing people and knowing how to handle them is, I believe, the greatest asset of any executive. I tried in every way possible to train my observation, to compare men with other men. In picking a manager for a plant, I didn't go so much by the man's record as by the way the man himself impressed me. It was not difficult to tell if a man was ambitious, mentally alert, and favorably inclined toward hard work. Every little while I appointed to an important place a man whom nobody else had ever suspected of having ability. A high percentage of these men made good and I was mightily pleased, for when they made good I knew that I, too, was making good.

I always sought a man who was anxious to land the job. The fellow who is overjoyed to get a certain job is the one who will work hardest at it. I never like to employ a man who is not sure he wants what I offer him. When a man takes a job with the air of doing me a favor to accept it, I know that he is apt to think that he has discharged his full obligation in taking the place, without doing much afterward. In order to obtain a man full of enthusiasm for the work to be done I often found it wise to pick somebody from a much humbler place. The man who has been making a monthly salary of only seventy-five dollars is likely to leave no stone unturned and no midnight oil unburned to make good on a job paying one hundred and fifty dollars—much more likely than if he had already been getting almost that much.

Two Kinds of Young Men

One day I offered a young man a place with a salary of about a third more than he had been used to. Both the salary and the nature of the work appealed to the young man.

"I'll think the whole proposition over a while," he told me, "and let you know about it."

"But I have decided not to hire you," I replied.

"Wh-a-a-t!" he exclaimed. "I thought you just got through telling me the job was mine if I wanted it."

"Yes," I admitted, "and you agreed that it was a fine opportunity for you. You are satisfied with the salary and you like the kind of work. Yet, instead of grabbing it on the spot, you wish to think it over a while. I am forced to the conviction that you are lacking in decision. A man troubled with the fault of indecision won't do in our business. I'm sorry, but I've changed my mind about you." And the job went to somebody else.

There was another case quite similar to the one just mentioned. I had offered a young man a place that was a decided improvement over the one he had.

"I like the proposition," the young man told me, "and I know that I am going to take it, and yet I wish that I might put off the actual acceptance until I have talked with my wife. She and I have always looked on everything like this as a partnership affair, and I would just like to be able to tell her that I didn't decide without first letting her have some say in the matter."

That, you see, was a slightly different situation from the other one. I thought the man showed a commendable partnership spirit that should be encouraged, and told him to talk it over with his wife first, by all means.

A Wife Who Takes an Interest in Your Business.

After all, there is nothing so important, or which can contribute so much to a business man's success as a fortunate selection of a wife. At the time I got married—I was then thirty-one—old Mr. Nelson Morris remarked:

"Well, you won't be much account in business for a year, but that's all right. No bridegroom is very useful in business he's so taken up with his new wife."

I was filled with a desire to convince Morris that he might have spoken too sweepingly. I made up my mind that on my return from the honeymoon trip I would work harder than ever before. Just after our arrival in New York, on the wedding journey, I chanced to hear of a piece of property in Brooklyn that was advantageously located for a branch. It could be leased very cheaply if taken at once, but the negotiations would take up so much time that there would be little opportunity for sightseeing while in New York with my bride. I wasn't sure that I didn't owe a greater duty to her than to my employers, especially inasmuch as I was on leave of absence. A wedding journey is an important event to a young woman, and it seemed a shame that this one should be marred by my business affairs. Yet I yearned to make Nelson Morris retract what he had said about bridegrooms.

Well, I put the whole situation up to Mrs. Wilson, intending to let her cast the deciding vote. She was genuinely enthusiastic over the idea of surprising my employers with a little business achievement on our honeymoon. To make some personal sacrifice to boost along my career would, she declared, be a pleasant adventure. She smilingly gave up a number of delightful little excursions we had planned together, and remained contentedly in the hotel room while I was over in Brooklyn conferring with real estate agents.

Ever since then Mrs. Wilson has followed the theory that no sacrifice is too big for her to smile over, provided it contributes to our success. I have never had to hesitate about leaving town unexpectedly on business just on the eve of a social engagement. Always I have known that such disappointments would never ruffle her in the least. And this knowledge has been a tremendous help.

For fifteen years I never took a vacation, and throughout much of that time I put in an average of more than fourteen hours a day. I couldn't have done it if the work had not fascinated me. Nobody gets very far unless he likes his work. A man should not look upon his job or work as a mere expedient for bread and butter. The man who works under pressure will not get very far. Initiative comes only to those who are fascinated with and enjoy their work, and if a man doesn't like his work he ought to change his job. I liked mine because I could see things growing and developing.

How Wilson's Present Job Was Offered To Him.

A few years ago I was made president of Morris & Company. Then came the unexpected offer which enabled me to direct a big enterprise with my own name over the door. The business of Sulzberger & Sons Company had been refinanced by New York capitalists, and these men determined to get me to manage it. Their representatives called me on the telephone from a Chicago hotel one day, right out of a clear sky, asked to see me, and made me an offer. I declined. Some time later a friend on the street asked me when I was going to the new job. I told him I wasn't going.

"Oh, yes, you are," he assured me; "I heard that you didn't know it yourself yet, but you are going. They are going to make you an offer you can't refuse."

And they did. We came to terms and I changed jobs. When I took hold of the new work I let it be known immediately that new ideas were in order, regardless of whether they applied to one's own department or to the other fellow's. And I aimed to impress it on all employees, including the humblest, that if anything wasn't going to suit them they could walk right into the main office and talk to me about it. Too much dazzling dignity about a general manager's office is often a great handicap to a business.

An Executive Should be Accessible His Men.

The trouble with the executive who is too inaccessible is that he loses more by the arrangement than anybody else. In shutting others out, he shuts himself in—away from the numerous advantages of personal contact and points of view. There's nothing like looking a man in the eye and hearing his story, to get at the meat of a situation. Most executives prefer to have everything brought to their attention in writing. That plan may be a time-saver, but my own experience has been that it will pay to get all information possible by face-to-face interviews. Sometimes a tone of voice or the arch of an eyebrow talks more than could be written in a letter.

I strive constantly to have every employee on the pay roll doing the kind of work he likes to do. At every opportunity I talk to the men, including the laborers about the plant, trying to find men who have special aptitude or liking for some particular thing. A man may be doing his task well, but there is always the chance he could do something else even better. Think of the plight of the man who is obliged to sit and add figures all day when he is naturally poor at figures but is a born wonder as a mixer among men, and yearns to be out selling goods. Think what he is losing, and what his employer is losing.

Raising a Man's Salary.

Whenever a man is capable of filling a bigger place he should be promoted if possible, if for no other reason than to keep him from stagnating, and also to let him know that merit is being recognized. Sometimes it is not possible to show appreciation of a man's work by giving him a better job. In such cases it is often wise to raise a man's salary. A raise even of only a dollar or so sometimes serves to give a man encouragement which is the making of him. I have heard executives say that men are frequently spoiled by salary raises, but I take no stock in the theory. If any are spoiled in that way they would have been spoiled anyhow, and the number is so negligible that we may well ignore it. I question the altruism and magnanimity of an employer who has a man's welfare so much at heart that he throttles his own earnest desire to pay the man more money, lest the raise should weaken the man's character.

The higher up he is, the more dependent an executive becomes on those under him. The real success of an executive, it seems to me, rests on his ability to promote wisely, and at the same time to keep the force working in harmony and contentment. A little jealousy here and there in an organization can ruin its efficiency. I have known men who had enough general grasp of things to have made great department managers, only they could not get along harmoniously with those about them. If a man can't get along pleasantly with his associates, he cannot successfully handle a force of men. I never like to promote a man to a responsible place if he has failed to work in hearty co-operation with the men alongside of him. When you hear men say of their boss: "He is a good fellow to work for," you may know he is a successful executive.

PERSONAL

GEORGE S. HARRISON, senior member of the Merchants Bank's staff, British Columbia, who has been appointed to the position of comptroller of the Whalen Pulp and Paper Mill, with manufacturing properties at Mill Creek, Swanson Bay and Cathina Falls, was responsible for the opening of the first branch of the Merchants in the Pacific province 12 years ago, and has of late been manager of the main Vancouver branch. The manner in which he has in recent years performed the steadily increasing responsibilities of his office has placed him in the ranks of the most capable bank managers in Western Canada while at the same time he has been popular among his confreres and the business people. As comptroller of the Whalen Company he will have entire financial control of the concern and will generally devote himself to efficiency in operation and seeing that manufacturing costs are on a minimum basis compared with the market price of the product.

DUNCAN MACDONALD, who has been appointed by the Toronto Railway company directors to represent the board on the committee of conciliation under the Industrial Disputes Act, which is to enquire into the grievances between the employes and the company, was formerly manager of the Montreal Street railway, and is one of the best authorities on tramways' management in the country. Mr. Macdonald was for two years a member of the Board of Control of Montreal and led the fight against the renewal of the franchise to the Montreal Tramways, his opposition being largely responsible for the fact that a renewal has not yet been granted. Mr. Macdonald is inventor and patentee of the pay-as-you-enter car system which has become a standard type of street railway rolling stock on this continent and is now being installed in Europe. He was some years ago retained as an expert engineer on the scheme to build tramway lines in and around Paris, France.

JOHN N. WILLYS, who has been elected president of the Curtiss Aeroplane and Motor Corporation, to succeed Glenn H. Curtiss, is the head of the Willys-Overland company and recognized as one of the greatest manufacturing organizers of the age. With little capital but much initiative and energy he has in a few years built up one of the greatest automobile concerns in the world. His success in so doing was by getting rapid production and turnover even though cost and the margin of profits were thereby reduced. With such a genius as Willys in command of the activities of the Curtiss corporation, the business and industrial world may look for this concern to show some big things in aeroplane output. If the United States is to supply very large numbers of aeroplanes to ensure victory for the Allies, men of the Willys stamp will do it.

ALEXANDER NAISMITH MOUAT, who has been appointed to the position of comptroller-general of British Columbia, leaves a similar position in relation to the City of Edmonton, which he has filled with unique success. He takes with him a reputation for great executive and administrative ability in public financial affairs and his new duties will involve a complete reorganization of the accounting system of the province as has been recommended to the government by Price, Waterhouse & Co. The appointment will also enable the Government to carry out its pledge to the people to issue frequent financial statements. He has had wide business experience and is also fully qualified as an accountant, being a member of the Dominion Association of Chartered Accountants and the Institute of Chartered Accountants of Manitoba and Alberta. Born in Edinburgh, Mr. Mouat came to Canada as a young man and entered the service of the C.P.R. in its audit department, later going to the Hudson's Bay Company, in which concern he made rapid advances, reaching the position of assistant manager at Winnipeg. In 1904 he became comptroller of the company, but retired a year later, and until his appointment at Edmonton four years ago devoted himself to personal interests, although at the same time giving valuable service to Swift & Company in the establishment of new branches. Mr. Mouat's services have been greatly appreciated in Edmonton, and the system of accounting established there has been highly praised by competent authorities. His resignation will be received with much regret; in fact there are indications that an effort may be made to have him remain.

NATURAL REACTION OF FIXED PRICES

Showing Some of the Effects of Price Regulation Which Have Been Noticed in United States.

Special to THE FINANCIAL POST by Agnes C. Laut.

I said in the article of last week that I could not foresee where Government regulation of prices would end. We have had examples of this in the past week in copper, coal and shipbuilding, also in part, in steel.

The Government was to buy all its copper at 16 cents a pound, as against a general trade price of 32 to 33 cents. Some millions of pounds were bought at this price, and the Council of Defence found that in competition with general trade and foreign buyers, it could not obtain a guarantee of the copper needed under 25 cents; so it raised the Government price to 25 cents. Now great quantities of this copper are being produced at an overhead of only 10 cents; and if the Government could fix prices, why not the labor unions? So instantly the copper miners of every big copper-producing area in the country went on strike for higher wages—a fixed minimum wage; and at time of writing the end is not in sight. If Government prices are to be fixed for manufactured articles, then Government prices must be fixed for raw material, and Government prices must be fixed for wages. It does not simplify matters that the I. W. W's seem to be the ringleaders in these strikes, or that German influence seems to be busy with the I. W. W.'s.

Ocean freights have mounted to unheard-of prices owing to very natural causes—the great scarcity of tonnage, competitive bidding for space, the risk of the submarine, the heavy cost of marine insurance, but, above all, owing to the heavy demurrage charges—as high as $5,000 a day—on ships in war service delayed in unloading at foreign ports.

The Question of Wages.

Good! By the stroke of a pen this was to be obviated by the Government building ships and putting in commission some 87 enemy ships, which had been interned, overhauled and put ship-shape. Hardly had the contract been signed for some 37 modern ships, hardly had the 87 enemy ships been put in commission, than the shipbuilders went on strike in the independent yards. Here, the grievance was two-fold. If the Government was going to regulate rates, then the shipbuilders were going to regulate wages—they demanded a minimum wage of $4.50 a day. Also, they didn't purpose working nine and ten hours a day, even under war pressure, when men in the Government yards were working only eight hours a day.

The Government ordered a reduction of coal prices to $3 for bituminous coal at the mine mouth. Here the crisis was not allowed to come to a climax; for the operators instantly granted an increase of 20 per cent. wages to the 225,000 bituminous miners. When it was pointed out that both bituminous and anthracite workers and operators were under contracts, which had not terminated—the men simply laughed. The contract bound the unions, not the man; and all the man had to do was pick up his traps and move to some industrial centre, where wages would be higher. The exodus of negroes from the South has crippled cotton. The exodus of men from the coal mines might cripple industry. Do you see a vision of all our house of carefully builded blocks coming crashing down about our heedless heads? Now the public is demanding Government regulation of anthracite prices; and the 173,000 anthracite miners are demanding an increase of 20 per cent. in wages. I am not setting down arguments and prophecies. I am recording economic facts. Between fixing prices and fixing wages, there is only a step; and from fixing prices and fixing wages to Government operation is only another step; and if at any time—as in copper mining and shipbuilding—there is a chasm between the prices fixed for sale of products and the wages fixed for producing the products—if at any time there is a breach, you don't need to be a prophet to foresee that under the pressure of war the Government must step in and become an operator.

The same situation is now simmering in steel and impending in oil fuels. Please note the slight slump in both stocks!

The Uncertain Future.

I have no opinions to express, and no predictions to utter. In this war we are all setting sail on unknown seas for an unknown destiny. All we know is that for twenty years the wisest prophets have predicted when the selfish claims of one class conflicted with the common good of the many. when class pitted itself against class; the one arbitrator, who would arise upon the horizon would be the Man-on-Horseback, the Big Gun, Militarism; and that figure is already upon our horizon. Militarism can stand a hog striker, or a hog capitalist, against a stone wall, and shoot him. Democracy can't.

At time of writing, another element of uncertainty injected in the situation, besides Government regulation of prices, is the likelihood of two abdications from royal European thrones. For a month it has been known at the State Department, Washington; but at any moment the same thing might happen in Spain and Austria or in Russia. In fact, Alphonso and Charles, the two monarchs in question are reported eager to abdicate. One can understand the eagerness. A throne in Europe to-day must be almost as comfortable as a seat in dynamite. The assumption in Washington is that these two abdications will compel peace. It is here that trade experts differ from State experts. Men familiar with sentiment in Germany do not anticipate a nation of as colossal egotists as the Germans foreseeing the handwriting of fate in the dethronement of two more royalties. France is exhausted, but not to the point of a Peace without a Victory; and it is hard to conceive of England agreeing to a peace that would not pay damages for the war.

But these points are not appreciated by the American public. The feeling is that with Alphonso and Charles off the carpet, William the Boaster will ring down the curtain; and that is the meaning of the peace tremor running through the market the first weeks of July.

MORE CONFISCATION OF RIGHTS

Further Effort to Give Toronto Power to Order Private Company Off its Streets.

Another step in the creation of monopolistic control of the hydro situation in Ontario in the hands of the Hydro commission has been taken with the passage at Ottawa of an amendment to the railway act designated to give Toronto control of its streets and the right to order the removal of the poles and general transmission system of the Toronto Hydro Electric Company and the Toronto and Niagara Power company. With the ratification of the Senate the amendment will become law.

This is another case where charter rights have been sacrificed. In the first place the contention was that the Toronto Hydro Electric company had not the right to erect poles on the city streets under its charter. The matter was taken to the Privy Council and the case was decided against the company. Then the right was claimed to distribute under the charter of the Toronto and Niagara Power company—a privilege granted by the Dominion Parliament. Action was taken to put through an amendment in the Railway Act which would dispose of the company's rights, with the result stated.

The amendment was not allowed to go through before some of the members who appreciate the dangers of the reckless measures being taken to curb the rights of the private power companies and the seriousness of wrecking the interests of British investors spoke out plainly. Also the point was made that legislation which was made retractive—to cover the company's charter of 1906—was reckless in conception and dangerous in application.

E. W. Nesbitt, one of the opponents of the amendment, declared in the House that the powers of the Toronto and Niagara company were being confiscated, and that the value of the company's bonds was thus being greatly reduced, and these had been bought by British investors in good faith.

The point was raised that if the city wanted the company it should buy it out. A reply was made that the city would do so. However, it is quite evident to those who have followed the developments that it is the policy being followed to legislate away the company's rights and without these rights the properties are naturally worth a much smaller sum in the market.

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of The Financial Post. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose three cents in postage stamps to cover postage on answers direct.

LAKE SHORE PROPERTY

P. W. G.—I paid $10 a foot for some lots, with 50 foot frontage, in a subdivision commonly known as Lake Shore Garden Annex, controlled by Robins, Limited. I understand there is considerable activity in this section owing to the Goodyear Tire Co. establishing a factory near by. Are these worth a hold?

At the present time the Toronto-Hamilton roadway is under construction past this subdivision which is located between New Toronto and Long Branch. It is, however, ½ to 2/3 of a mile from the Good Year factory and there are, on the north side, four other subdivisions which might naturally be supposed more tempting from their proximity to this factory. However the completion of the new roadway may improve the prospects for the sale of your property, and we would advise you to hold on at least until the Fall, when real estate all over promises to improve over the dull inactivity of summer. A few sales have been made of lots near yours for $13 this past year by the Robins company.

COAL MINE PROPOSITION.

J. D., Winnipeg.—I have a friend who owns a large coal proposition in Alberta. It is sufficiently developed to produce two hundred tons daily with the present equipment. Working capital is, however, required to put the property in first class shape. The owner not being in a position to provide it he has decided to sell out. The coal is semi-bituminous and has given entire satisfaction whenever it has been used. Can you put me in communication with the right people who are prepared to consider a proposition of this kind.

This is somewhat out of the line of service which we usually give through our Investors' Enquiries department. However, we are making some enquiries from people who may be interested in a proposition of this kind and hope to be able to communicate with you later. You will naturally understand that the present is rather a difficult time to secure capital for new ventures owing to the fact that there is a general shortage of ready money, indications of which are to be easily found in the investment market.

THE WAR PROFIT TAXES

G. H. M., Hull.—Some time ago we noticed a list of manufacturers showing capitalization and approximate amount they would have to pay the Government out of their profits. None of the paper mills were included in the list. If you know of any other list which includes the paper mills we shall be glad if you will kindly send us a copy or advise us where we can get one.

The figures published in the FINANCIAL POST on June 23rd, in connection wich industries and amounts of war taxes due the government contained all the particulars presented to the House of Commons. This return was made on June 20, by William S. Middleboro, member for North Bay. You could probably communicate with him as to additional details.

The annual meeting of the Vancouver stock exchange was held in the Pacific building, Vancouver, when officers for the ensuing year were elected. In his retiring address A. E. Austin, the president urged that the basis of trading on the exchange be conducted in such a way that buyers and sellers alike would get a fair return. The following officers were elected: D. M. McGregor, president; A. N. Wolverton, vice-president; S. W. Miller, Hon. Secretary, and A. F. Lauder, Honorary Treasurer. With the officers the following will comprise the executive committee: A. E. Austin, J. D. Mather and J. T. McGregor.

CASE FOR HIGHER FARES

American Electric Roads in New York State Want Six Cent Rate.

The decline in the market for street railway securities, especially of the companies at Toronto, Montreal and Winnipeg, has been drawn to the attention of readers of the FINANCIAL POST as an indication of the effect of war conditions on this class of investment. Street railway companies have had to face higher expenses in practically every direction. Power in many cases is costing more, rails, rolling stock and other supplies have risen to abnormal levels and heavy increases are being demanded by labor. In the face of these increases no determined effort has been made to secure an increase of fares from the public. This has been due to the fact that public opinion is becoming antagonistic to private control of public utilities and it has not been considered good policy to ask increases under these circumstances.

In the United States, however, efforts are being made to get higher fares. The electric railways of New York State are seeking permission to charge a six cent fare. The case of the companies has been placed before the Public Service Commission by Joseph K. Choate whose arguments are summarized as follows:

First, the practical impossibility under present conditions of securing new capital for investment in street railroad properties, which will inevitably mean that this class of public utility will not be able to provide additional facilities, from time to time, to meet the needs of the traveling public.

Second. This condition is largely due to the steady and material increase in the cost of operation, which has gone on over a period of years and which now promises an even more rapid rise, as a result of the conditions brought about by the entrance of this country into the European war.

Third. In consequence of the rapid increase in the cost of operation, the net returns to the present security holders are steadily dwindling. The investment position of the bonds of electric railways has grown steadily worse, making it difficult to sell securities because of the decreasing return on the capital already invested to a point far below that considered reasonable by any court or commission.

Fourth. The fundamental fact of the whole situation, as we see it, is that a six-cent fare is not in reality an increase in the price of our service. The fact is that the purchasing power in labor, materials, etc., of the five cents paid for the service has so seriously decreased that we are compelled, in the interest of our service, to attempt an equalization. We are prepared to prove to you that even a six-cent fare, under present conditions, will not yield as large a return as a five-cent fare did five years ago.

Fifth. The price of a street car ride is the only commodity or service in the entire country, as far as we know, which has not increased in price within the last five years. In proportion to the income of the average person, a six-cent fare represents no larger proportion than the five-cent fare in 1912. The increase in wages in practically all lines of industry has been much larger proportionately than the proposed increase in fare. We feel that, after careful examination, you will have no doubt that the street car rider is as well able to pay a six-cent fare as he was to pay a five-cent fare a few years ago.

Mr. Choate added that five electric railway systems within the second district have been forced into receivership since June, 1915. In this list are included two of the largest systems—the Buffalo and Lake Erie Traction Company and the Empire United Traction company. The failure of the Empire United carried down with it the Rochester, Syracuse and Eastern Traction company. In addition, the Syracuse & South Bay Electric R. R. company and the Syracuse, Watertown and St. Lawrence Railway company were forced also into receiverships. In all, over thirty-eight and a half million dollars of capitalization have been represented by properties in the hands of receivers during the last two years.

Current Opinion

SOUND ADVICE TO LABOR AND CAPITAL.

New York Analilst.

Oscar Straus offered sound advice at the Central Park mass meeting on Saturday when he said that if capitalists had differences they should compose them, and if laborers had differences they should compose them. This is no time in which even remotely or by indirection to weaken the country by internal dissensions of any sort, for there is an enemy without. Every lockout, every strike, every dispute, whether among capitalists or among laborers or between them, impairs the efficiency of the country when every effort should be put forth to keep the production of necessities at the maximum and when every shadow of difference within our own borders should be obliterated that a united nation may exert its full force against a dangerous foe. The obligation rests upon capital and labor alike.

THE LIBERAL CONVENTION.

Grain Growers' Guide.

Official announcement was made from Ottawa on July 5 that a monster Liberal convention, representing the four Western provinces will be hold in Winnipeg on August 7 and 8. The announcement says that the convention is necessary so that the "Western Liberals could consider what their attitude should be toward a number of serious economic and political problems arising out of conditions created by the war." Another clause in the announcement says: "While plans have not been worked out, it is understood that facilities will be afforded to every progressive element in Western Canada to participate in the convention." It is an excellent idea to hold such a convention and to give people an opportunity to express their minds on these national problems. It is to be hoped, however, that the scope of the convention will be broadened so as to include full representation from the progressive element of the entire West. If it is to be merely a party convention it will not measure up to its possibilities for good. Liberalism at Ottawa is, and has been for many years, a name only. The Eastern wing has dominated the party, and with few exceptions the Liberal party, like the Conservative party, has stood for high tariff, special privilege and patronage and has catered to the big interests consistently. Neither of the Eastern parties represent the progressive spirit west of the Great Lakes, and this progressive spirit is not confined by any means to the ranks of the official Liberals in these Western provinces. It is widespread. The organized farmers have declared for democratic legislation and have adopted a national platform enunciating democratic principles. If the Western Liberals want democracy, and are prepared to stand for it, they should throw open their convention and make it a representative gathering of progressives from the entire West. If such a convention were to be held and to declare its absolute and complete independence of affiliation with either of the parties, and were to adopt the farmers' platform, it would be in accord with the spirit of the West. We believe that out of the 55 members to be elected from the four Western provinces at least 50 could be elected on such a platform. With practically a solid West, independent of party affiliations, free from campaign fund obligations and determined to re-establish democracy, they would be the most powerful influence in Parliament. Let us hope the Western Liberals will take a broad view of the situation. No such opportunity has ever come to the West. It should not be lost for it may not come again. This convention by proper representation and with a democratic statesmanlike platform can win for the West the justice that has been denied this country since confederation.

THE SHAREHOLDERS' SHARE.

N. Y. Fanancial World.

One of the main premises upon which the Interstate Commerce Commission based its refusal to grant the railroads the full increase demanded was that the statistics they presented in support of their argument that they were entitled to more pay for their services, showed that they had been earning over a specified time an average net of 6.40 per cent. In face of such earnings it was not the proper time to grant a general increase in rates—later if it should be shown that the need for an increase was imperative, the railroads could again present themselves before the commission and their plight would receive more gentle consideration. We have already reviewed the decision of the Commission, but the thing in the Commission's decision that strikes *The Financial World* impressively is the position taken regarding the measure of earnings sufficient in the Commission's opinion to call for more liberal treatment. Presumably an average net of 6.40 per cent. in the Commission's opinion is liberal enough. If this is its view it will not carry public opinion with it. In fact, it faces a contrary view expressed by the highest judicial tribunal in the land which in the famous case of the Consolidated Gas Co. did not hold that a dividend to stockholders at seven per cent. was unfair.

If capital is to be encouraged to develop the resources of the country it may properly demand a fair revenue. On an average net earnings of six per cent. is not a fair return, for no conservative corporation would pay out to the last penny the full net earnings but only a part of it, retaining the surplus to meet contingencies and where it is possible to retire the fixed debt. Such is good business. Generally dividends of six per cent. are regarded a fair return upon an investment but to assure it a corporation must earn a margin above six per cent. net to warrant it paying with safety such a rate. If this is the basis of the Commission's reasoning then it may be stated the Commission is standing on thin ice and will have to reverse its position sooner or later in justice to the railroads and to the two millions of American who have invested their savings in railroad securities, confident that the Government authorities will accord them the same measure of fair treatment it extends to the general public and the shippers.

Letters To The Editor

To the Editor,
The Financial Post.

Sir:—I read with much interest your editorial about Lord Shaughnessy's personal interest in the comfort of passengers on the C.P.R., in a recent issue of THE FINANCIAL POST and it occurred to me that you might care to hear of another instance of disinterested service rendered me recently by another corporation.

My son, who has lately received an appointment in the navy, was of course unable to tell me his whereabouts. He wrote the manager of a London, England, branch of the Bank of Montreal, where his credit is deposited, and incidentally gave some particulars of his doings. On receipt of his letter the manager cabled me. He then at once set inquiries afoot and was able to ascertain, from trivial matters to which my son made casual reference, that he was stationed at either Malta or Salonica, which information he immediately imparted to me.

I cite this as merely another instance of gratuitous assistance rendered spontaneously from an unexpected source and I thought this example might be of interest to some of your readers.

H. C. M.

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NEWS OF THE BOND MARKET

HOPE EXPRESSED THAT LOAN CAN BE SECURED

If Sir Thomas Succeeds in Mission Market Will Improve.

SECURITY HOPES FAVOR MORE

Announcement That Income Tax Will Come This Year Bound to Strengthen the Market for War Loan

Keen interest centers around the effort made by Sir Thomas White to secure the necessary permission to float a loan in the United States. At time of writing no definite word had been received from Washington as to the success or failure of the effort but the POST understands that there is a very good chance indeed of a satisfactory issue to the negotiations.

Despatches in the newspapers show that Sir Thomas has based his proposition on the fact that Canada was among America's best customers, her purchasers from the United States during the ten months ended with April 30 being valued at $602,209,543, while her sales to that country during the same period were valued at $236,829,775, leaving a balance of trade against the Dominion of $365,377,768. This unfavorable trade balance was redressed to a considerable extent, by the Canadian borrowings in New York by the sale of Canadian securities, as well as by Canada's favorable trade balance with European countries. Since the entry of the United States into the war, Canadian borrowing in New York has ceased, because the Liberty Loan was before the public, and had, of course, the right of way over all other issues. It would now seem that Canada can only continue to purchase in such large measure from the United States provided a reasonable degree of borrowing is allowed her Governments and municipalities in the United States. Until quite recently exchange has been normal between the two countries, but latterly it has gone slightly adverse to Canada. The reason is that during April, May and June Canadian excess of imports from the United States over exports to the United States has more than proportionately increased. For April and May the excess was more than double what it was for April and May, 1916. The situation could readily be remedied by a loan or loans in the United States such in brief is the outline of the reasons Sir Thomas has advanced for his plan to float a loan on the American market.

If the proposal for a loan is not favorably received, the question of reopening the New York market to Canadian issues will be advanced as an alternative.

Relief is Felt

The action of the Finance Minister has caused relief on the Canadian security market as a very real degree of apprehension has been felt on the score of the feasibility of another loan here this fall. It is very generally hoped that the mission of Sir Thomas will be successful. If he succeeds in making the necessary arrangements, the Canadian market will have a splendid opportunity to recover and certain conditions which are now creating apprehension will be righted. Before it becomes necessary to launch another war loan in Canada, the market will have been considerably strengthened and there will be plenty of money in sight.

It is not expected, however, that the securing of a loan in the United States will react to the advantage of the market here in every way. Any money thus raised will have to be spent in the United States for one thing. It is quite probable also that the consent of the administration at Washington would be coupled with an order to close the American market to all other Canadian security. This would react against the benefits accruing to Canada from the loan.

However, there is no use borrowing trouble. The mere fact of the Finance Minister's effort to place a loan across the board has had a good effect on the money market and the outcome is being watched with expectancy.

Price is Firm

In the meantime the market price of the last war loan has remained firm around 95½. There has been practically no traffic in it, however, and there is little demand. Some transactions of a decidedly minor nature were reported on the Montreal market. That the recovery is legitimate and that the firmness is likely to continue seems certain.

The announcement in the House of Commons that an income tax is coming this year—a direct confirmation of the rumor that has circulated for some weeks—has done a great deal to improve the market for war loan. As the only investment that offers exemption it cannot fail to prove increasingly attractive in the face of the Government announcement.

Features of the Week

The bond market is very dull on the whole although the success of the Greater Waterways issue has been rather remarkable. There have been favorable conditions develop during the week, foremost being the visit of Sir Thomas White to Washington in an effort to negotiate a loan with the United States government. If his mission is a success the security remark will undoubtedly benefit. In the meantime there is little trading even for this season. The war loan has been firm but torpid.

IS A SUCCESS?

Home Financing in Victoria Claimed to be Going Well.

A despatch from Victoria, B.C., conveys the information that the experiment in home financing has been proving a success. The despatch reads:

Up to last night about $25,000 of the $53,813.93 of 5 per cent. ten-year serial debentures had been taken up by residents of this city. The bonds are being sold in denominations of $500 and at a price to yield 6 per cent. a year. The principal and interest are payable in London, New York, Montreal, Toronto or Victoria. The interest is payable through coupons on May 15 and November 15.

In order to make a thorough test of this experiment of raising money at home, brokers are allowed to dispose of the bonds only to residents of Oak Bay, Saanich and Equimalt besides bona fide residents of this city.

The bonds were offered only a week ago, and City Comptroller Raymur believes they will all be taken up by next week.

GETS BANK LOAN

Royal Bank Loans $200,000 to City of Halifax.

Halifax, July 18.—The city of Halifax is cutting down expenses because of the condition of the money market and their refusal to accept either of the two very low offers for a bond issue. The Board of Control has accepted the following offer from the Royal Bank of Canada. "The Bank will advance to the city a temporary loan to the extent of $200,000, charging them interest to the rate of 5½ per cent., this to be secured by the hypothecation of debentures at the market price. All advances will be made by way of overdraft. It is understood that should the city desire to dispose of all or a portion of their debentures they may do so and apply the proceeds to the reduction of the advance mentioned."

City Treasurer Hopewell reported to the board that he was instructed by the trustees of the sinking fund to request concurrence of the board and council in fixing the price at 93, with accrued interest for the following loans made from the funds to the city short term loans: $4,000 for motor street sprinkler; $500 for fire department hose; $1,200 for public gardens railing repairs; $2,500 for repairs at the city home building; $20,920.06 for liquor license fee refunds.

It will probably be found that a period of entrenchment by the city fathers of Halifax will not be a bad thing in the end.—It has begun.

BOND AWARDS

A. E. Ames & Co. were awarded the $25,000 bond issue, 6% ten-instalments of Shawinigan Falls at a price of 96.829. Other tenders were Dominion Securities 96.03, Rene T. Leclerc 95.55, Notary Couture 95.50, Royal Securities Corporation 95.273, Hanson Bros. 95.02.

The $15,000 6 per cent. 20-instalment hydro-electric extension debentures of Petrolea went to the Canada Bond Corporation at 99.

County of Prescott and Russell 20-instalment 6% $50,000 issue went to A. E. Ames & Co. at 101.09.

Burlington $45,000 6% 30-instalments went to A. E. Ames & Co. at 98.78.

J. O. Davis & Co., Montreal, have purchased $50,000 6% 25-instalment bonds of the town of La Salle, Quebec, at 9.373.

W. B. Cumming, who has been for several years with G. A. Stimson & Co., has severed his connection with that firm and in future will look after the interests in Toronto and vicinity of C. Meredith & Co., Limited, Montreal.

WILL PRICES GO LOWER ON THE BOND MARKET

Some Security Houses Think That Conditions Point That Way.

MARKET IS VERY DULL NOW

Greater Waterways Issue, However, Has Been Bullish Absorbed—Practically Whole of Amount has been Successfully Disposed Of.

The bond market has been very dull, not to say apathetic. The usual midsummer lull is responsible to some extent for this condition but there is more behind it than that. The scarcity of money and the low prices that offer have kept the market clear of all issues except such as are absolutely necessary. Even for the securities that are offered there is no evidence of an active demand.

From the standpoint of the security firms the outlook is very unsatisfactory. Business is being done on too small a margin. The municipalities are for the most part dissatisfied with the prices that are obtainable and every manoeuvre is resorted to in order to get top prices. In Many cases all tenders have been refused as unsatisfactory. On the other hand the investor is looking for "bargains." He has become educated to look for big yields. In fact, it takes remarkably good figures to coax money out. Between the two, the reluctant municipality and the exacting investor, the security house is getting rather badly squeezed. The margins on which most bond issues are handled to-day is so small that an extremely rapid turn over is essential to a profit. Bonds must be cleared out quickly when as low as half a point is made on them.

Will Prices Continue Downward

It is partly on this account that some security houses are predicting that security prices will go still lower. They argue that the present condition must right itself and that, as it is impossible to coax investors to accept a smaller yield, the "give" must be in the direction of the price at which bonds are bought.

"After all," said one bond man to the FINANCIAL POST, "it is only to be expected. The purchasing power of the dollar has dwindled so alarmingly that the investor has got to get a bigger yield on his money. If bonds had remained on the basis of say four years ago, it would mean to-day that the investor would in reality be getting only about 50% on what he realized before. The earning power of the man has had to be increased to offset the decreased buying power of the dollar and it is logical to suppose that the earning power of capital must also be increased."

The feeling that the market has not reached the bottom is not universal by any means, however. There are a number of security houses where it is confidently asserted that the bottom has been reached and that the favorable terms on which the investor can now secure bonds represent the best opportunity that will perhaps ever offer. They do not discount the effect of the shortage of money nor the possibility of this shortage becoming more acute but base their opinion on the sheer impossibility, as they see it, of the municipalities accepting lower figures or allowing larger yields. If the downward trend continued, they contend, the municipalities would simply stop borrowing and sit back until the market firmed up again.

Waterways Selling Well

The most favorable feature of the market has been the comparatively rapid way in which the Greater Winnipeg Waterways issue has been taken up. It will be remembered that when the issue was first offered not a bid was made. Finally, however, the Bank of Montreal took over the issue in co-operation with a syndicate made up of Wood, Gundy & Co., Dominion Securities Corporation and Charles Meredith & Co. The issue was portioned out to a number of other security houses last week and a brisk sales campaign started.

At time of writing it seems assured that the issue has been pretty well cleared up. The members of the syndicate have successfully negotiated the sale of their allotments and in several instances have found it necessary to buy back small blocks to meet the requirements of private investors. Some of the other companies have also cleared up the blocks they took from the syndicate. Others still have some left although none were found to say that they had encountered any difficulty.

The expedition with which this issue has been put away in a dull market is an encouraging sign. It must be borne in mind, however, that the security offered is a real bargain for the investor and the market is not too apathetic to respond to bargains. Also a good proportion was offered and disposed of in the United States.

MIMICO AND NEW TORONTO.

Burgess & Co. Announce Purchase of New Issues.

C. H. Burgess & Co. report having taken delivery recently of $15,000 Village of New Toronto 5½ per cent. ten-year bonds, and $25,000 of the same municipality, same rate on twenty-year basis. Proceeds of the first of these issues will be used for the installation of a new incinerator and of the second for school purposes. The price is reported as 94.

The same company also reports having secured an issue of $97,000 Mimico 6 per cents on a thirty-year basis.

R.C.Matthews&Co.

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DEBENTURES FOR SALE.

$30,000.00
City of Rossland, B.C.

SCHOOL DEBENTURES

SEALED Tenders, marked "Tenders for Debentures," will be received by the undersigned up to 5 p.m. on Tuesday, August 14th, 1917, for $30,000.00 City of Rossland, British Columbia, School Debentures. Debentures will be for 20 years, bearing 6% interest. Principal payable at end of term. Interest coupons will be attached. Denominations $500.00. Interest payable half-yearly, March 1st and September 1st. Principal and interest payable Bank of British North America, Rossland, B.C.; Toronto, Ont.; New York, U.S.A., and London, England. Debentures bear interest from March 1st, 1917. Issue will bear Certificate of Provincial Municipal Inspector of British Columbia.

The highest or any tender not necessarily accepted.

J. A. McLEOD, City Clerk.

Village of New Toronto, Ont.

SEALED Tenders will be received, addressed to the undersigned, up to or before July 27th inst., for the purchase of $50,000 thirty-year 6% debentures of the Village of New Toronto, Ontario. This issue is to provide for additions to the municipal waterworks system, an increased capacity being necessary to supply newly built factories, including Goodyear Tire & Rubber Co., Brown's Brass and Copper Mills, Dupont Fabrikoid Company. The highest or any tender not necessarily accepted.

F. R. LONGSTAFF,
New Toronto, Ont. Treasurer.

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For sums of one hundred dollars and upwards we issue Debentures bearing a special rate of interest, for which coupons payable half-yearly are attached. They may be made payable in one or more years, as desired. They are a
LEGAL INVESTMENT FOR TRUST FUNDS.

FIELD OF MUNICIPAL FINANCE

BANKRUPTCY IS NEAR ACCORDING TO NEWSPAPER

The Star Publishes Sweeping Charges on Montreal Administration.

PICTURE IS OVERDRAWN

Emergency is One of Immediate Financing, But the City Must Institute Reforms in All Phases of Civic Administration.

Starting off with the sweeping statement: "The City of Montreal is galloping headlong to financial ruin," the Montreal Star begins a series of stinging indictments of the administration of that city.

The position of the municipality must be precarious when the newspapers openly talk bankruptcy. "Nearing bankruptcy," is the keynote of the articles in the Star. It is apparent that a section of the people, at least, has become seriously perturbed. To understand the exact extent of this perturbation it is only necessary to read "Indictment No. 1," as offered by The Star:

The City of Montreal is galloping headlong to financial ruin.

Maladministration, blundering grafting and crass stupidity have brought about a desperate condition at the City Hall.

Our finances are in such a state that it is impossible even to clean the streets and water them—not to speak of paving and repairing them.

The blundering City Hall pilots frankly acknowledge they do not know how to finance the City in the future. They are already preparing another raid upon the Legislature for another two million loan — not to pay off due debts, but simply again to stop the insatiable maw of the annual deficit.

Unless they can borrow somewhere they will soon be unable to even pay for the services essential to life and property.

Where has the money gone? Most of it wasted, or worse. Listen to this:—

More is paid out in salaries today than the total revenue of the city twelve years ago.

Despite this astounding fact proposals are actually being made to boost the padded pay rolls to the tune of an additional half a million dollars.

It is a notorious fact that there is scarcely a department, either in the internal or external services, that is not congested with employes.

In 1912 the total wages and salaries was two million six hundred thousand dollars.

Last year the total was four millions and a half.

This colossal increase is almost wholly due to the "patronage" curse. Hordes of employes bear the family name of present and past Aldermen and Controllers.

The patronage evil is just as bad as it ever was.

Despite the spasm of reform which followed the Cannon enquiry and the installation of a new system of Government, the finances to-day are in a worse condition than ever before!

Unless our headlong financial descent is checked the bailiffs will be in charge at the City Hall, and taxpayers will wake up to the fact that their personal property is the real security upon which these vanished millions have been borrowed.

The picture painted by the Star is overdrawn, however. Fired by zeal for a complete reorganization of municipal government, the paper in question has adopted a form of attack designed to startle the indifferent people of Montreal. It is likely, however, to have a disquieting effect outside, particularly among investors. Montreal is not in danger of bankruptcy. Holders of Montreal securities need have no fear on that score. So potentially great a city is not in any danger of facing a situation where liabilities cannot be met.

Certainly, however, the present position of the city is bad. Maladministration has depleted the civic coffers and the securing of loans is only deferring the day when there will have to be a "show down." That the day will come is certain and it will almost certainly take the form of a complete housecleaning.

The real financial position of Montreal was accurately defined by THE FINANCIAL POST on Sept. 4 of last year. At that time a rumor had spread that there was a proposal to have a receiver take charge of the city's financial affairs. In explaining that there was nothing in the rumor, THE POST pointed out that the city's position was intrinsically sound. It went on to say: "It is idle to assert that the city's debt is not excessive, and equally idle to assert that the civic administration for many years past has been wise, economical or capable. Today Montreal' indebtedness, when taken per capita, exceeds the indebtedness of any other city with the same population on the North American continent or in Great Britain. Further, this is in the face of the only too obvious knowledge that Montreal is an incomplete city. It's streets are improving but they are far from perfect; it owns practically nothing in the way of public utilities; its taxes are such that industrial projects pass on. But to talk of a receivership merely brings into evidence the immense wealth of the city, vastly in excess of the obligations—and that wealth, as everyone knows, is responsible for the city's obligations."

What Montreal needs is, as the POST said in 1915, "less spending and better spending." If the Star's bankruptcy talk leads to an improvement in that direction it will have served its purpose.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED.

July 7, County of Lambton.—$54,000, 5½ per cent. interest yearly debentures of County of Lambton, principal payable in 4 yearly instalments. H. Ingram, County Treasurer, Sarnia, Ont.

July 12, Kitchener.—$20,000, 6 per cent., 5-year patriotic debentures and $7,000 6 per cent., 3-year soldiers' insurance debentures of the city of Kitchener.

July 16, Wilkie, Sask.—$6,000, 7 per cent., 20-instalments waterworks debentures of the town of Wilkie. T. A. Dinsley, Town Clerk, Wilkie, Sask.

July 16, Petrolea.—$15,000, 6 per cent., 20-instalment hydro-electric extension debentures of the town of Petrolea. John McHattie, Town Clerk.

July 27, Village of New Toronto.—$50,000, 30-year 6 per cent., debentures, to provide for additions to municipal waterworks system, an increased capacity being necessary to supply newly-built factories. F. R. Longstaff, Treasurer, New Toronto, Ont. (See advertisement, page 12.)

Aug. 14, City of Rossland, B.C.—$30,000 City of Rossland, B.C. school debentures for 20 years, 6% interest, principal payable at end of term. Denominations $500. Interest payable half-yearly. March 1st and September 1st. J. A. McLeod, City Clerk, Rossland, B.C. (See advertisement, page 12.)

BY-LAWS PASSED.

July 12, New Westminster, B.C.—The annual loan by-law 1917 "A" which provides for borrowing $126,000 to meet payment of interest on bond issues. Passed by the city council.

July 12, St. Thomas, Ont.—By-law authorizing the issue of $39,700, ten-year debentures, made up as follows:—Canadian Patriotic Fund, $36,000; sailors' relief, $2,000; incidentals for recruiting purposes and barracks, $1,700. Passed by the city council.

BY-LAWS TO BE VOTED ON.

July 4, Windsor.—A by-law is to be submitted to the ratepayers for authority to spend $17,000 in building a civic garage to accommodate cars owned by various departments of the city.

SASKATCHEWAN.

The following is a list of debenture application granted by the Local Government Board from July 3rd to 6th, 1917.

School Districts.—*Lakeside, $2,000; Crocus Prairie, $2,000; Chippewa Hill, $1,200; Curzon, $2,000; *Beswick, $2,000; Beattie, $2,000; Barton, $500.

*Being sold by the Local Government Board.

Rural Telephone Companies.—Leross, $10,500; Palmer, $16,000; Thornfield, $5,400; North Forres, $53,500; Leo, $8,300; Theodore Whitesand, $6,300; Logberg, $3,900; North West Webb, $3,400; Winton Park, $15,600; Battlevale, $2,000; Eyebrow S.W., $9,800; Talmage, $1,800; Durham, $500; Odel, $4,500.

Towns.—Rothern, $23,000.

BOND SALES.

$25 Asbestos at 75½; $2,000 Bell Telephone at 95; $6,900 Can. Cement at 97½; $2,000 Consol. Rubber at 94¼; $3,000 Can. Cottons at 81; $6,500 Dom. Coal at 89¾ to 89; $1,000 Dom. Cotton at 98; $7,000 Dom. Iron at 87 to 86; $2,000 Dom. Textile, Series B. at 98¾; $1,000 Dom. Textile, Series C, at 98¾; $5,000 Laurentide Paper at 101; $9,000 Mexican Light & Power at 30; $4,000 Montreal Power at 88½; $500 Montreal Trams at 73; $1,000 Ogilvie Flour at 102½; $1,000 National Breweries at 85; $1,000 Price Bros. at 83; $1,000 Quebec Railway at 54; $4,500 Sherbrooke Railway at 75; $1,000 Sao Paulo at 80; $6,500 Wayagamack at 84 to 83½; $24,100 War Loan (1925) at 98 to 97¾; $43,100 War Loan (1931) at 96 to 95; $338,200 War Loan (1937) at 95¼ to 94⅞.

SHOULD WORK BE POSTPONED TILL AFTER WAR

Municipalities Are Urged to Delay Improvement Plans Now.

CONSERVE MONEY FOR WAR

Municipal Journals Strongly Urge That This is Wrong Course—Canada's Resources Are So Great They Should Be Developed.

There has been a very general feeling since the outbreak of the war that municipalities should stop public works and improvement in order to conserve the money of the country for war purposes. The result has undoubtedly been seen in the curtailment of capital expenditure. This has been particularly marked during the present year; but has not been due entirely to the feeling that money should not be used in building bridges and paving roads when it is needed for shells and the in a very great degree to the effect equipment of soldiers. It has been due that money was either not obtainable or at terms too disadvantageous to consider. There have been plenty of instances where municipalities have called for tenders on contemplated issues and have refused to accept any of the bids made. Sometimes there have been no bids.

It is interesting to note, however, that the Municipal Journal of New York urges that the entry of the United States into the war should not be permitted to prevent the carrying on of municipal public works. Municipal business as usual is the plea advanced.

Commenting on this, the Canadian Municipal Journal says:

"Even Canadian municipalities with their comparative limited borrowing powers would have been wiser had they have carried on their public works, at least to the extent of keeping those already built in thorough repair. . . . There is no doubt that many of our municipal and provincial authorities were scared into stopping all public works, even when necessary, with the result that many, particularly roads and streets, have deteriorated to an extent almost beyond repair. There are a few exceptions, of course, and one in particular is worth nothing because of the impetus given to trade by discarding the croakers' advice. We refer to the policy of the Quebec government who not only did not stop their great new road campaign started two years previous to the war which meant an outlay of over fifteen million dollars, but this last year secured an additional grant of another million dollars from the provincial legislature for the same purpose, as well as additional sums to keep the roads in repair. Already this great expenditure is getting returns for the province in the great army of American tourists whose money is very welcome to the hotels and tradespeople. Surely such a spending of public money even in war times might be termed a wise investment.

"One of the arguments used against the carrying on of any public work at this time—especially provincial or municipal—is that it is unpatriotic, that every dollar that can be raised should be used for direct war purposes. This argument would be unanswerable if Canada was limited in her resources to the extent that other belligerent countries are, but she is almost unlimited in her resources. They only want developing and Canada will have to develop them more to meet her war bills. Now public works are just as necessary to the development of these resources as well paved streets are necessary to the shopping centre of a city, and the first step in the successful development of our vast resources to-day is the proper provision of all that makes for decent living, in the form of waterworks, efficient drainage and good roads, etc. Otherwise, the necessary human material will be a negligible quantity."

LINDSAY BONDS SOLD

W. A. Mackenzie & Co., Toronto, were awarded the $60,000 6% 20-instalment bond issue by the Lindsay Town Council on Friday, July 13. The tenders received were as follows:

	Money tender.	Percentage basis.
W. A. Mackenzie & Co.	59,721.00	99.535
A. E. Ames	59,670.00	99.45
Brent, Noxon & Co.	59,466.00	99.11
Macdonald, Bullock & Co.	59,460.00	99.10
R. C. Matthews & Co.	59,435.00	99.059
Wood, Gundy & Co.	59,409.00	99.015
Canadian Bond Corporation	59,406.00	99.01
Dominion Securities Corporation	59,324.00	98.84
C. H. Burgess & Co.	59,298.00	98.83
Mullholland, Bird & Graham	59,274.00	98.79

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Purchaser	Date	Place and Purpose	Rate	Terms	Amount	Price	Basis
Can. Landed & National Invest. Co., Winnipeg	July 6	Wolverine Lake, S.D., Sask.	....	.....	$2,000	....	....
Can. Landed & National Invest. Co., Winnipeg	" 6	Lawson, S.D., Sask.	....	.....	1,000	....	....
Can. Landed & National Invest. Co., Winnipeg	" 6	La Martine, S.D., Sask.	....	.....	1,900	....	....
Can. Landed & National Invest. Co., Winnipeg	" 6	Green Mount, S.D., Sask.	....	.....	2,200	....	....
Wood, Gundy & Co., Saskatoon	" 6	Coleville, S.D., Sask.	....	.....	500	....	....
Nay & James, Regina	" 6	Davidson, S.D., Sask.	....	.....	8,000	....	....
Goldman & Co., Regina	" 6	Aird, S.D., Sask.	....	.....	1,800	....	....
Goldman & Co., Regina	" 6	Niobe, S.D., Sask.	....	.....	1,800	....	....
H. O'Hara & Co., Regina	" 6	Perdus, R.T., Sask.	7%	15-ins.	45,400	....	....
W. L. McKinnon & Co., Regina	" 6	Nadeauville, R.T., Sask.	7%	15-ins.	20,200	....	....
W. L. McKinnon & Co., Regina	" 6	Carlton, R.T., Sask.	7%	15-ins.	9,500	....	....
J. A. Thompson, Winnipeg	" 6	Woodrow Co-operative R.T., Sask.	7%	15-ins.	17,300	....	....
J. A. Thompson, Winnipeg	" 6	Strongfield, R.T., Sask.	7%	15-ins.	5,000	....	....
W. L. McKinnon & Co., Regina	" 6	Grassy Hill, R.T., Sask.	7%	15-ins.	9,000	....	....

Credit-Canada, Limitée

Government, Municipal and School Bonds

President. Hon. H. B. Rainville
Managers {E. A. Ouimet, F. Saint-Pierre}

179 St. James Street, - Montreal, Canada

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Stocks and Bonds dealt in on all Exchanges. Municipal, School District, Rural Telephone, etc., Bonds always on hand for investment. Write for particulars and list of offerings.

Royal Bank Building, Toronto

Village of New Toronto

$50,000.00 Waterworks Debentures for Sale

Payable in 30 annual instalments with interest at 6%, yearly payment of principal and interest amounting to $3,632.44.

These debentures are being issued to provide for additions to the municipal waterworks system. The capacity of the plant is being doubled to meet the requirements of new factories located in the Village, contracts having been signed with the Goodyear Tire & Rubber Co. for a supply of 1,000,000 gallons daily, and with the Du Pont Fabrikoid Co. for 1,500,000 gallons monthly. Some of the larger consumers on the present system are:—

Grand Trunk Railway Co., using about 500,000 gallons daily, Brown's Copper and Brass Mills, about 4,000,000 gallons monthly, and the Village of Mimico, 50,000 gallons daily.

On the first year's operation the plant showed to be self-sustaining, the figures for the year being:—

Receipts from water rates for year 1916, and outstanding rates due Dec. 31, 1916 ....$11,819.53
Expenditures on operation, including interest on debentures 11,265.63
Surplus on operating expenses, 1916....$ 553.90

Tenders for the purchase of this issue will be received up to 7.30 p.m. of July 27th, and award will be made on that date. The highest or any tender not necessarily accepted.

F. R. LONGSTAFF, Treasurer

Net taxable assessment of the Village of New Toronto for 1917, $1,324,555.00; population, 1,800.

POLICIES PROVIDING
Guaranteed Annuities, Payable Monthly

A policy that secures to the beneficiary a definite income payable in monthly instalments throughout life is the ideal life assurance contract. Such an income is guaranteed for twenty years under Mutual-Life-of-Canada contracts issued on the Life, Limited Payment Life and Endowment plans. The income will be increased by an interest dividend during the twenty years of guaranteed payments. Write for our booklet—"Policies Providing Guaranteed Annuities Payable Monthly." Full particulars of any desired plan may be secured by giving age of the prospective beneficiary as well as your own.

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO ONTARIO
ASSURANCES, $109,645,581 ASSETS, $29,361,963 SURPLUS, $4,595,151

British Colonial Fire Insurance Co.
2 Place d'Armes, Montreal
AGENTS WANTED IN UNREPRESENTED DISTRICTS

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.

SURPLUS TO POLICYHOLDERS, $1,820,752.82

A Canadian Company Investing its Funds in Canada

APPLICATION FOR AGENCIES INVITED.

NEW RECORDS

Results secured during the past year reaffirm the position of the Sun Life of Canada as the largest life assurance organization of the Dominion.

Fair dealing and progressive business methods have given it leadership in annual New Business, Total Business in Force, Assets, Surplus Earnings, Net Surplus, Total Income, Premium Income and Payments to Policyholders.

Sun Life of Canada Policies are safe and profitable Policies to buy.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE—MONTREAL

THE
Independent Order of Foresters

Furnishes A Complete System of Insurance

Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.

Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.

Policies issued from $500 to $5,000. For further information and literature, apply to

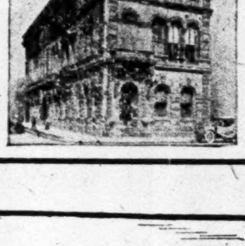
Total Benefits Paid 42 Million Dollars

FRED J. DARCH, S.S., E. G. STEVENSON, S.C.CR., Temple Building,
TORONTO.

THE LONDON MUTUAL FIRE
INSURANCE COMPANY

ASSETS
$718,608.76
Surplus to Policyholders
$380,895.44

HEAD OFFICE—
33 SCOTT STREET
TORONTO



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SEE THE
Canadian Northern Rockies
en route to the PACIFIC COAST
by the Natural Wonders of Jasper Park and Mount Robson, Monarch of the Range

You will be amply repaid.
Convenient Train Service.
Summer Tourist Fares.

For through tickets, information and our handsome Mountain Booklet apply to nearest C.N.R. Agent or General Passenger Dept., Montreal, Que., Toronto, Ont., and Winnipeg, Man.

CANADIAN NORTHERN RAILWAY

INVESTORS' INSURANCE NOTES

SOLDIERS' AID THROUGH STATE NOT COMPANIES

Canadian Insurance Companies Not Anxious to Supersede Pension System.

MANY WEAK POINTS

If Bulk Payments in Cash Are Made to Disabled Soldiers or to Survivors—Whole Country Not City Should Bear Cost of Insurance.

The plan of a huge system of casualty insurance for the soldiers that is being considered by the United States Government, to replace the pension system that was a legacy of the Civil War, has been under discussion in Canada, FINANCIAL POST learns. Although any movement along this line has not yet been formulated by the Dominion Government, the insurance men, in their present way of thinking, would be opposed to participating in it. They would prefer that it be worked out, if at all, as a State scheme.

The plan if it is brought into operation will take the form of a series of limited pensions, that will end absolutely in a few years, without dragging on almost interminably as in the case of the United States where, 50 years and more after the war has ended, it is estimated that over $1,000,000,000 still remains to be paid in pensions to surviving next of kin,—or other form of posterity.

Insurance Men Call On State

"As between a State system, and one taken up by the insurance companies," said an experienced actuary to FINANCIAL POST this week, "I think all of the leading insurance men would urge that the State take charge.

"The private companies would be compelled to charge an extra premium as a war risk and add a certain amount as a margin of safety. There would be a great deal of uncertainty as to the total risk owing to the uncertain conditions of war, and the charge might be made that the State was paying too high.

At Actual Cost

"If it operated the system, it would of course, do so at actual cost, and moreover, it is in a position to do so, for it has in its Insurance Department at Ottawa some of the ablest insurance men in Canada." He added that the very uncertainty of the risk made it of a type that the insurance companies were unwilling to handle any more than was necessary.

Weak Points in Cash System

Many weak points develop in the case of a study of such a system. It might be based on a single payment to the injured, or in case of death, to next of kin, that would free the country in each case, once and for all, of all liability.

"But," argued the actuary, "'suppose the beneficiary was improvident, and spent his $1,000 or $2,000 foolishly, and it was all gone, and he came back and, disabled through fighting for his country, asked for more help, would we say we had washed our hands of him? We hardly could be so cold-blooded as that. Would we establish a series of workhouses for those who ran through their pensions in six months? All this would be the easiest way, the least trouble, but would it be right to them?

Small Payments Over Years

"We should ask what are the needs of the man? Not cash in a large sum, but the means of earning a living, of keeping himself, and any who may be dependent on him. The payment of a large cash sum would do more harm than good.

"A similar evil condition of affairs would apply to cases where a soldier had been killed and the money was paid to his widow, and family."

How Toronto Grades Payments

The system that is being worked out by the municipal authorities of Toronto in connection with the payment of the $1,000 insurance on the lives of all Toronto soldiers, might serve as a pattern for a Dominion insurance-pension proposal. Each case is considered according to the special conditions that attend it. It may be that a sum of $30 a month is paid extending over a period of 3 or 4 years, in order to enforce thrift, where it would appear necessary. In the case of a $2,000 policy,—by the Dominion,—the $30 would run ever 6 or 7 years.

Opposed to Municipal Insurance

The insurance of soldiers through the municipality, by the way, is a subject on which some plain speaking may soon be in order. There are many who are opposed to it: who think that all insurance should be uniform, and operated by the State.

Toronto taxes herself heavily to insure her soldiers; these fight for the whole of Canada, but Toronto citizens alone bear the heavy burden of the insurance taxation.

Might Take Over Toronto's

Under a Dominion plan of an insurance policy covering various forms of disability or death, it may well be that the policies carried by Toronto that then remain would be taken over by the government as part of a general tax on the whole people.

GERMANS PROHIBITED.

Teuton Companies Not Allowed to Write Policies in U. S.

President Wilson has proclaimed that branch establishments of German insurance companies now engaged in the transaction of business in the United States, are prohibited from continuing to write marine and war risk policies either as direct insurers or re-insurers. Companies incorporated under the laws of the United States are also prohibited from re-insuring with companies incorporated in Germany.

B. C. FEDERATION.

Annual Meeting Held Recently at Vancouver.

The annual meeting of the Insurance Federation of British Columbia was held in Vancouver recently, with an attendance of about forty members. J. J. Banfield, the president, was in the chair. The reading of the minutes, committee and secretary reports were adopted. Frank W. Rounsefell, of Ceperley, Rounsefell & Company, was elected president, and William Thompson, British Columbia manager of the London and Lancashire Fire Insurance Company, was elected vice-president. A nominating committee was elected, composed of William Thompson, J. J. Banfield, H. W. Falconer, British Columbia manager of Dominion of Canada Accident Company; W. J. Twiss, of Mutual Life of Canada, and L. H. Wright, of L. H. Wright & Co., to nominate an executive committee and to present names to an adjourned general meeting called for 4 p.m., Wednesday, July 11th, at the board rooms of the Mainland Fire Underwriters. It is expected that the other officers and committees will then be elected or appointed.

NO SLACKERS EMPLOYED.

Montreal Insurance Offices Resent Statement at Ottawa

Officials of Canadian and British insurance companies with offices in Montreal resent the statement made in the House of Commons at Ottawa recently intimating that Montreal insurance offices were crowded with young Englishmen who had come to Canada to avoid enlistment. The speaker, went so far as to state that these men were willing to work without salary as they were receiving cheques from their anti-conscriptionist fathers at home. The Montreal Star has made an effort to find some of these young Englishmen but report inability to discover a single specimen of the class referred to.

Enquiries were made in a number of the biggest insurance offices and statements were secured from T. B. Macauley of the Sun Life, H. M. Lambert, of the Guardian Assurance; Major General E. W. Wilson, of the Canada Life; D. M. McDoun, of the Standard Life; H. C. Rawlings of the Guarantee Company of North America and J. T. Thompson, manager of the Liverpool, London and Globe. All of these officials give an emphatic denial to the statement made. Mr. Macauley stated that his company had not taken on a single young Englishman since August 1914 and that every unmarried man on the office staff had either gone to the front or being rejected by military authorities, with three exceptions; these three men have positions which it would be practically impossible to fill. Women had largely filled the places of those who had gone. The men who went overseas were guaranteed their positions on their return. Mr. Lambert stated that the young Englishmen on the staff of his company had all joined the first Canadian contingent. The other reports were similar in effect.

MacDonald, Bullock & Company, Toronto, have secured the services of Harry H. Goss. Mr. Goss was connected with the bond department of AEmilius Jarvis & Company for seven years.

THE BRITISH COMPANIES IN CANADIAN FIELD

Keen Competition Encountered For Canadian Business.

REVIEW OF YEAR'S FIGURES

Conclusion is That British Concerns Suffered a Heavier Ratio of Loss During 1916 Than During Previous Year.

In referring to the activities of British insurance companies in Canada in practically all kinds of business, the *Statist* says that there is practically no field in the world where competition is keener than in Canada, since the big American companies flew in over the border, the British companies come in from over the sea, and there are a large number of strong local concerns. Regarding the activities of British companies in Canada, this journal says:

> It follows from the keenness of the competition and the rapid growth of the new cities that the fire risks vary very much from city to city, and from year to year. Premiums run high, according to English standards, though of recent years they have tended steadily to be reduced, and the ratio of losses to premiums also tends to be high. In 1916 the average fire loss ratio of all the British companies was 55.4 per cent. against 50.6 per cent. in 1915, and for all the companies—Canadian, British, and foreign—the average loss ratio was 54,6 per cent. as compared with 53.5 per cent. in the previous year.
>
> This advance in the ratio of loss, especially of the British companies, is reflected in the individual results of the principal offices during last year. Some of the companies, when the losses and working expenses are deducted from the premiums, show a deficiency, though others, here and there, have been able to secure a remarkably high rate of profit. The table which we have prepared from the chief British companies is curiously patchy; there is none of that approximation towards a fair average shown in the total British figures which we published three weeks ago. There is a wide range from the deficiency of 6.5 per cent. on the part of the Northern to the surplus of 23.1 per cent. of the London Assurance. The Alliance, the London, the Phoenix, and the Royal Exchange have all achieved surpluses of over 20 per cent. of the premiums. The Royal, with its subsidiaries, on its big business shows a surplus of 12.8 per cent., while the Commercial Union, and its subsidiaries, upon a business little smaller, comes out on the right side by only 1.7 per cent. It is difficult to draw any general conclusions from results so variable; one can only conclude from the average of the loss ratios that 1916 in Canada was less profitable to our fire insurance companies than was 1915:—

	Net Fire Premiums £	Surplus or Deficit £
Alliance	49,250	Surp. 10,163
Atlas	99,021	Def. 1,521
Caledonian	85,283	Def. 1,201
Commercial Union Palatine Union North West Fire	382,772	Surp. 6,974
Guardian	197,817	Surp. 17,975
Liverpool, London. and Globe Liverpool Man.. Hamilton	319,015	Surp. 28,601
London and Lancashire Mercantile Quebec	243,817	Surp. 28,289
London Assurance	62,161	Surp. 14,371
North British	184,005	Surp. 26,388
Northern	152,405	Def. 9,920
Norwich Union	157,531	Surp. 17,350
Phoenix	192,953	Surp. 39,510
Royal Exchange	88,410	Surp. 18,650
Royal Queen of Amer.. Hudson Bay	443,392	Surp. 56,672
Scottish Union	80,716	Surp. 12,423
Sun	105,880	Surp. 8,593
Yorkshire	80,736	Surp. 13,147

> In life insurance there was an advance of over two millions sterling in the total amount of new business transacted, and an increase of £546,000 in the death claims. The Insurance Department at Ottawa has collected from all the companies in the Dominion details of the war losses by death for each of the years 1914, 1915, and 1916. In this country, one could arrive at the same particulars only by collating the details given in the official reports and by filling up gaps by private inquiry. The Dominion Department issues a circular letter of inquiry and the thing is done. The inquiry was very thorough, and covered fraternal societies operating under provincial licenses in addition to the companies and societies licensed by the Department. The death claims were classified into those of (a) enlisted soldiers killed in action or dying of wounds; (b) enlisted soldiers dying from other causes; and (c) other persons engaged in war service or civilians dying as the result of military operations. The bulk of the claims arose under section (a). In 1914 the war claims paid by all the life offices operating in Canada in respect of Canadian assurances were £3,919. In 1915 they were £404,917, and in 1916 they jumped up to £965,291. Figures such as these illustrate vividly the toll upon life of a world war.

HALF YEAR FIRE LOSSES.

Canadian and U. S. Figures Show a Total of Over $15,500,000.

The losses by fire in the United States and Canada during June, as compiled by the Journal of Commerce, were $15,513,270, compared with $12,247,500 in 1916 and $10,898,950 in 1915. The losses for the first half of 1917 reach the unusually heavy total of $144,621,725, compared with $125,776,420 last year and $92,391,000 the year before. The following table gives a comparison of the losses by months for the first half of this year with those of 1916:

	1916	1917
January	$21,423,350	$36,431,770
February	24,770,770	29,587,660
March	38,680,250	17,523,000
April	12,681,050	18,597,225
May	15,973,500	24,968,800
June	12,247,500	15,513,270
Ttl. for 6 mons.	$125,776,420	$144,621,725

Western Assurance Company
(Fire, Explosion, Ocean Marine and Inland Marine Insurance)
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Assets over - - - - - - $ 5,000,000.00
Losses paid since organization over - - - - - - $66,000,000.00
BOARD OF DIRECTORS: W. R. Brock, President; W. B. Meikle, John Aird, Robert Bickerdike, M.P. (Montreal), Alfred Cooper (London, Eng.), H. C. Cox, D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. A. Robert (Montreal), E. R. Wood.

Chief Office for Canada, TORONTO
LONDON & LANCASHIRE FIRE INSURANCE COMPANY
ALFRED WRIGHT, MANAGER

British America Assurance Co.
(Fire, Hail, Ocean Marine and Inland Marine Insurance)
HEAD OFFICE - TORONTO
BOARD OF DIRECTORS: W. R. Brock, President; W. B. Meikle, Vice-President and General Manager; Robert Bickerdike, M.P. (Montreal), John Aird, Alfred Cooper (London, Eng.), H. C. Cox, D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, E. A. Robert (Montreal), E. R. Wood.
Assets, Over - - - - - - $ 2,700,000.00
Losses Paid Since Organization, Over - - - - - - $40,000,000.00

When a Life Company

receives from its Policyholders such informal and spontaneous expressions of approval as the following, it is clear that the relations between Policyholder and Company are all they should be:

"I received to-day your cheque for $1,559.00 in settlement of the twenty-year endowment policy taken by me in June, 1896. I am more than satisfied with this Policy, as I find it has given me twenty years insurance free and a return of all my money with more than four and a half compound interest. I consider this BETTER THAN A BANK ACCOUNT. In addition my insurance has cost me nothing."

Those contemplating Life Insurance will do well to look into the Policies that earn such invariable approval—clearly shown in the unprecedented business being written by

The Great-West Life Assurance Company
Dept. "G."
Head Office - Winnipeg

Actual Results the Main Test

Don't let shadowy estimates influence your action when placing your insurance. Rather study the Actual Results of

The Dominion Life Assurance Company

They are convincing proof of merit.

Head Office, - Waterloo, Ont.

ROYAL BANK OF SCOTLAND
Incorporated by Royal Charter 1727.
Paid-up Capital - - £2,000,000
Rest & undivided profits £800,986
Head Office
St. Andrew Square, Edinburgh.
Cashier and Gen. Manager, A. K. Wright, Secretary, J. B. Adshead.
London Office, 3 Bishopsgate, E.C.
Wm. Wallace, Manager.
Glasgow Office, Exchange Square.
A. Dennistoun, Agent.
167 Branches throughout Scotland

Banking business of every description transacted. Accounts opened and agency business undertaken for Foreign and Colonial Banks and other financial establishments. Bills, Cheques and other documents collected. Drafts, Circular Notes and Letters of Credit issued—available throughout the world. Cable transfers are also made. Deposits received at interest repayable at call or at notice. Correspondence invited.

MORTGAGES AND REALTY

THE OUTLOOK FOR BUILDING AFTER THE WAR

An Analysis of the Situation As It Is Viewed in Winnipeg.

A SHORTAGE IN PROSPECT

Western Real Estate Authority Presents the Opinion That Renewed Immigration and Return of Soldiers Will Mean Activity

Those who give careful thought to the building situation in Canada are considering the present period of inactivity so far as construction programs are concerned in relation to the needs of the country's population. Of course while the war lasts and there are a large number of men at the front not to mention the small proportions of immigration and the discouragement which is offered to building by the scarcity of capital and attendant high rates of interest activities cannot be expected on a big scale. However, at the same time; it must be remembered that Canada is very prosperous, that the agricultural industry is in a very strong and prosperous conditions and that the end of the war will not only find the soldiers returning but it is likely to see a strong movement of immigrants. Under such circumstances more homes will be required and with a demand for building sites the real estate situation should strengthen.

Considering these conditions interest attaches to an analysis of the situation in Winnipeg—the gateway to the West and in the pathway of any immigration movement which may occur—by N. T. MacMillan, president of the Winnipeg Building Owners' and Managers' Association. Mr. MacMillan quotes building statistics of the city showing that whereas the totals in periods prior to the outbreak of the war ran from $12,000,000 to $20,000,000, the total in 1915 was under $2,000,000 and in 1916 only $2,500,000, and says:

> In the year 1915 we had one of the largest crops that the West has ever produced, and therefore the country produced more wealth that year than any time in its history. In 1916, while the crop was not as large, the prices that prevailed, produced as much wealth as in any of the years from 1910 to 1914. Therefore, the general development of the country has made rapid progress during the years of the war and a great amount of new wealth has been created from our agricultural pursuits.
>
> The population of Winnipeg at the outbreak of the war was in the neighborhood of 200,000. Any reduction from these figures, if any, as of this date, I think is largely due to young single men enlisting and going overseas. The survey of the boarding house district and downtown blocks justifies this conclusion, not that any particular part of the city contributed our overseas men, but the falling off in districts mentioned is more apparent.

Analysing the building figures Mr. MacMillan points out that there has been a tremendous falling off in the building of houses and apartment blocks while the general development of the country has gone on and comes to the conclusion that Winnipeg is liable to arrive at a point where the demand for housing accommodation will greatly exceed the supply. An early return of the soldiers would have a tendency to fill the boarding houses and the down town blocks by the single men and would have a marked effect upon the apartments and houses available in the city. Likewise there would be an increased demand as the result of a resumption of immigration which is confidently anticipated. The situation to-day is described as follows:

> The apartment blocks of Winnipeg are practically filled and there are few vacant houses that are desirable. What then are we to do to take care of any influx of population which is felt will come to our city? Buildings cannot be put up overnight, and if the building programme of Winnipeg was justified in the years 1910 to 1914 where they were running all the way from 12 to 20 million a year, it can be seen at a glance that the building of Winnipeg has not kept pace with the development of the country.

Encouraging Capital

Mr. MacMillan points out that if building is to be revived it must be on the basis of encouraging capital to participate, saying:

> The question of taxation is a matter which enters into the building situation. If men with money are to be induced to erect buildings for revenue, it will be necessary to show them that they can at least get a fair return on their money equal at least to a government bond. With our rents as at present prevailing in Winnipeg and the burden of taxation that has practically all been carried by real estate, it is impossible in the majority of cases to show any revenue over carrying charges.
>
> It can easily be confirmed in the city to-day that it is a great deal cheaper to rent a property than to own one and to pay taxes and carrying charges, and it must not be lost sight of that to extend the housing programme of Winnipeg it will be necessary to get in new money, as the present investors under present conditions and the revenue that they are able to derive from improved properties, are not warranted in further increasing that form of investment even if they had capital available.
>
> Prospective investors coming in with new money, however, will analyze the situation more carefully probably than has been done in the past and buildings will not be erected on the hope of being able to take care of the depreciation of the buildings on the enhanced value of the land. But it will be a real banker's proposition taking the value of the land and the cost of building, and from the revenue deducting all carrying charges, and unless the situation is such here that we can show an investor a fair return on his money we may look for little increase in building for revenue, and unless our housing accommodation is greatly increased at an early date, Winnipeggers who rent their homes may be obliged to pay rents much higher than at any time in Winnipeg's history, and in apartment blocks with prospects for 50 per cent. increase in heating costs, the same conditions will prevail.

WESTON

Movement Becoming More Brisk—Sales Reported

At Weston the real estate situation is becoming more brisk. Mr. Moffat reports the sale of not only a number of houses during the past week but also several lots for building purposes. The house proposition is growing more serious owing to the great number of workmen now employed in the Canada Cycle and Motor Company, nearly 600. Many of the employees who have been living in the city are now seeking homes in Weston, and the fact that there is practically none for rent has stimulated the buying. Mr. Moffat states that several large manufacturing industries are at present looking for factory sites. Some have taken options on land from ten to forty acres. The majority of them are American companies who purpose locating in Canada. Mr. Moffat looks for still greater activity during September and October.

MONTREAL

More Activity Reported in Eastern Metropolis.

Reports of local conditions indicate great increase in activity during the next few weeks. This means a demand for more materials and labor; and as the latter is scarce, the builder is of necessity giving close study to methods of carrying on construction. Owing to the high price of steel and the shortage of piping, a number of contracts for large buildings have been abandoned for the present. A local contractor states that the steel for one building alone, which last year could have been supplied for $6,000, this year cost his firm $11,000.

Building operations, particularly in Notre Dame de Grace, have shown activity during the last few weeks, and many new dwellings and stores are in course of erection. Real estate conditions generally also are reported to be fair and good prices continue to prevail.

BUILDING ON PRAIRIES.

Considerable Activity Reported Throughout Saskatchewan

That there is a great amount of building being done this year throughout the province is the opinion of members of the building trades of this city, many of whom are at present in the country on some big contracts. With a distinct revival in building conditions in the city this year, particularly along the line of private dwellings, and considerable activity in building operations in the country, practically all the carpenters are busy at the present time. How long this will continue, no expression of opinion has been made.

There are a number of very fine buildings being erected in the Regina district, including farm dwellings, barns, schoolhouses, churches and other public buildings. Considerable cement work is also being constructed, and where possible, cement is used extensively by farmers.

A good indication of general conditions throughout the country is the amount of building which is being done in the rural districts this year. For a year or two following the outbreak of war, there was a general retrenchment along all lines, and particularly was this true of building operations. This year, however, indications are that there has been a distinct revival in the building trades, not only in the city but in the country as well.

EASTERN INVESTMENT AND LAND COMPANY, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 26th day of June, 1917, incorporating Gerald Ruel and Reginald Herbert Montague Temple, barristers-at-law, George Norman Limpricht, draughtsman, Frederick Charles Allen, solicitor's clerk, and William Bowler, secretary, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.:—(a) To acquire by purchase, lease, exchange, concession or otherwise, city lots, farm lands, mining or fruit lands, town sites, grazing and timber lands, and any description of real estate and real property or any interest and rights therein, legal or equitable, or otherwise howsoever; to take, build upon, hold, own, maintain, work, develop, sell, lease, exchange, improve and otherwise deal in and dispose of such lots, lands, sites, real estate and real property or any interest therein; to deal with any portion of the lands and property so acquired, subdividing the same into building lots, streets, lanes, squares and sites for residential, business, manufacturing or other purposes whatsoever, with power to construct and pave highways, streets and sidewalks thereon, and to construct and furnish facilities for sewerage and drainage, water, light, heat and other municipal requisites, and to build upon any lands for residential, business, manufacturing or other purposes whatsoever and to supply such buildings with all necessary facilities, plant and machinery, to equip them for the purposes for which they are intended; (b) To build, purchase, lease or otherwise acquire, manage or control, at such points or places along any line of railway or branch line of railway, or at any ports or places of call of any steamship lines, such buildings as it deems advisable for hotels and restaurants; and to carry on any business in connection therewith, and afford such facilities as may tend to the comfort and convenience of the travelling public; and may let any such building for such purposes; (c) To purchase, lease and hold lands required for, and lay out, establish and manage parks and pleasure grounds, and give a lease thereof to, or contract with, any person for the use thereof upon such terms as the company deems expedient; (d) To act as agents for the sale and purchase of real estate and all interests therein and for reward to procure real estate investments for any person; to act as selling agents for the owners of any real estate, sub-division, building sites, town sites or lands of any kind or any interest therein, and to take over and acquire from any person or corporation any agency, inclusive or otherwise, for the sale of any such lands, sites or interest therein, and to accept an assignment of and perform any contracts made by any person with any other person or corporation for the sale of any such lands, sites or interest therein as agents or otherwise, and generally to act as real estate, house and rental agents; (e) To promote any company or companies for the purpose of acquiring all or any of the property and liabilities of the company, or for any other purpose, which may seem directly or indirectly calculated to benefit the company; (f) To purchase, take on lease or in exchange, hire or otherwise acquire, any personal property and any rights or privileges which the company may think necessary or convenient for the purposes of its business and in particular any machinery, plant, stock-in-trade; (g) To construct, improve, maintain, work, manage, carry out or control any roads, ways, branches or sidings, bridges, reservoirs, watercourses, wharves, manufactories, warehouses, electric works, shops, stores and other works and conveniences which may seem calculated directly or indirectly to advance the company's interests, and to contribute to, subsidize or otherwise assist or take part in the construction, improvement, maintenance, working management, carrying out or control thereof; (h) To lend money to customers and others having dealings with the company and to guarantee the performance of contracts by any such persons; (i) To sell or dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of the company; (j) To procure the company to be registered and recognized in any foreign country and to designate persons therein according to the laws of such foreign country to represent this company and to accept service for and on behalf of the company of any process or suit; (k) To distribute among the shareholders of the company in kind any property of the company, and in particular any shares, bonds, debentures or other securities belonging to the company or which the company may have power to dispose of; (l) To issue in payment or part payment for any property, rights or privileges acquired by the company or for any guarantees of the company's securities, or for services rendered, shares of the company's capital stock, whether subscribed for or not, as fully paid up and non-assessable, or the company's securities; (m) To carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights; (n) To acquire or undertake the whole or any part of the business, property and liabilities of any person or company carrying on any business which the company is authorized to carry on, or possessed of property suitable for the purposes of the company; (o) To enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise, with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the company; and to lend money to, guarantee the contracts of, or otherwise assist any such person or company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same; (p) To take, or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as directly or indirectly to benefit the company; (q) To raise and assist in raising money for, and to aid, by way of bonus, loan, promise, endorsement, guarantee of bonds, debentures or other securities or otherwise, any other company or corporation and to guarantee the performance of contracts by any such company, corporation, or by any other person or persons with whom the company may have business relations; (r) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the company. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Eastern Investment and Land Company, Limited," with a capital stock of forty thousand dollars, divided into 400 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario.

Dated at the office of the Secretary of State of Canada, this 27th day of June, 1917.

THOMAS MULVEY,
Under-Secretary of State.

THE W. T. C. BOYD COMPANY, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 29th day of June, 1917, incorporating William Thornton Cust Boyd, lumber manufacturer; Eric Mossom Boyd, and Charles Edward Hollis Clement, accountants, of the Village of Bobcaygeon, in the Province of Ontario; Thomas Stewart, of the Town of Lindsay, in the said Province of Ontario, barrister-at-law, and Henry John Wickham, of the City of Toronto, in the said Province of Ontario, for the following purposes, viz.:—(a) To carry on a general business in the Province of British Columbia and elsewhere throughout the Dominion of Canada (as hereinafter mentioned) as dealer in timber lands, manufacturers of and dealers in all kinds of lumber, timber and wooden ware, including pulp and paper; (b) To engage in the building, construction and equipment of ships and vessels and all manufactures incidental thereto; (c) To enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise, with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the company; and to lend money to, guarantee the contracts of, or otherwise assist any such person or company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same; (d) To take or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as directly or indirectly to benefit the company. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "The W. C. T. Boyd Company, Limited," with a capital stock of one hundred and fifty thousand dollars, divided into 1,500 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 30th day of June, 1917.

THOMAS MULVEY,
Under-Secretary of State.

GENERAL MINING AND EXPLORATION COMPANY, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 11th day of June, 1917, incorporating William Alfred James Case, solicitor; James Broadbent Taylor, accountant; William Morley Smith, barrister-at-law; Charles Lawford Valens and Cyril Middleton Smith, students-at-law, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.: (a) To prospect for, open, explore, develop, work, improve, maintain and manage gold, silver, copper, nickel, lead, coal, iron and other mines, oil wells, gas wells and oil and gas properties and other deposits and properties, and to dig for, raise, crush, wash, smelt, assay, analyze, reduce, refine, amalgamate and otherwise treat ores, metals, oil, gas, minerals and chemicals of all kinds, whether belonging to the company or not, and to render the same merchantable, and to deal in, buy, sell and otherwise dispose of the same or any part thereof or any interest therein, and generally to carry on the business of an exploration, mining, milling, reduction, smelting, refining and development company; (b) To acquire by purchase, lease, concession, license, exchange or other title, lands, mines, mining lands, leases, easements, mineral properties or any interest therein, minerals and ores and mining claims, options, powers, privileges, water and other rights, patent rights, letters patent of invention, processes and mechanical or other contrivances, and either absolutely or conditionally, and either solely or jointly with others and as principals, agents, contractors or otherwise, and to lease, place under license, sell, dispose of and otherwise deal with the same or any part thereof, or any interest therein; (c) To construct, maintain, alter, make, work and operate on the property of the company, or on property controlled by the company, reservoirs, dams, flumes, race and other ways, water powers, aqueducts, wells, roads, piers, wharves, buildings, shops, stamping mills, dredges and other works and machinery, plant and electrical and other appliances of every description, and to buy, sell, manufacture and deal in all kinds of stores, implements, provisions, chattels and effects required by the company or its workmen or servants; (d) To construct, acquire, own, charter, navigate, operate, maintain, manage, hire, lease, sell or otherwise dispose of all kinds of steam and sailing vessels, boats, barges and other vessels, wharves, docks, elevators, warehouses, freight sheds and other buildings, and generally to carry on the business of an elevator, navigation and transportation company; (e) To acquire by lease, purchase or otherwise, steam, electric, pneumatic, hydraulic or other power or force, and to use, sell, lease or otherwise dispose of the same for the purpose of light, heat or power, provided, however, that any sale, distribution or transmission of electric, pneumatic or other power or force beyond the lands of the company shall be subject to local and municipal regulations in that behalf; (f) To acquire by purchase or otherwise and hold lands, timber limits or licenses, water lots and interest therein, and to build upon, develop, cultivate, farm, settle and otherwise improve and utilize the same, and to lease, sell or otherwise deal with or dispose of the same; (g) To manufacture, buy, sell and deal in logs, lumber, timber, wood, all articles into the manufacture of which wood enters, and all kinds of natural products and by-products thereof; (h) To purchase and otherwise acquire, hold, sell or otherwise dispose of shares or stock, bonds, debentures or other securities in any other corporation, notwithstanding the provisions of section 44 of the said Act; (i) To purchase or otherwise acquire and undertake all or any part of the assets, business, property, privileges, contracts, rights, obligations and liabilities of any person or company carrying on in whole or in part business similar to the business which this company is authorized to carry on or possessed of property suitable for the purposes thereof; (j) To enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise with any person or company carrying on or engaged in or about to carry on or engage in any business transaction which this company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit this company; (k) To raise and assist in raising money for and to aid by way of bonus, loan, promise, endorsement, guarantee of bonds, debentures or other securities or otherwise any corporation in the capital stock of which the company holds shares or of any corporation or person or persons with which it may have business relations, and to act as employee, agent or manager of any such corporation, person or persons, and to guarantee the performance of contracts and obligations by any such corporation or by any person or persons with whom the company may have business relations or the guaranteeing of whose obligations appear to be of benefit to the company; (l) To lease, sell or otherwise dispose of the property and assets of the company or any part thereof, for such consideration as the company may deem fit, including shares, debentures or securities of any company; (m) To apply for, purchase or otherwise acquire, protect, prolong, and renew patents, patent rights, trade marks, formulae, licenses, protections, concessions and the like, conferring or relating to any exclusive or non-exclusive or limited right, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company or the acquisition of which may seem calculated, directly or indirectly, to benefit the company, and to use, exercise, improve, develop or grant licenses in respect of or otherwise turn to account the property, rights or information acquired; (n) To distribute among the members of the company any shares, debentures, securities or property belonging to the company, to pay for any services rendered to and any properties and rights acquired by the company in such manner as may be deemed expedient and in particular by the issue of shares of securities of the company credited as fully or partly paid up; (o) To distribute or divide assets of the company in specie among the shareholders; (p) To do all acts and exercise all powers and carry on all business incidental to the due carrying out of the objects for which the company is incorporated or necessary to enable the company to profitably carry on its undertaking; (q) No power granted in any paragraph hereof shall be limited or restricted by reference to or inference from the terms of any paragraph hereof; (r) To enter into any arrangements with any governments or authorities, supreme, provincial, civic, municipal, local or otherwise, that may seem conducive to the company's objects, and to obtain from any such government or authority any statutes, ordinances, licenses, contracts, orders, regulations, decrees, rights, powers, franchises, privileges and concessions which the company may think it desirable to obtain and carry out, exercise and comply with the terms of the same. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "General Mining and Exploration Company, Limited," with a capital stock of forty thousand dollars, divided into 400 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 13th day of June, 1917.

THOMAS MULVEY,
Under-Secretary of State.

GAS PROCESSES LIMITED.

PUBLIC Notice is hereby given that under the First Part of Chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 9th day of July, 1917, incorporating George Charles Loveys, accountant; George Whitaker Morley and William Morley Smith, barristers-at-law; Byron Best Spence, clerk; and Charles Lawford Valens, student-at-law; all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.:—(a) To carry on the business of electrical, mechanical, chemical and gas engineers; to engage in all branches of electrical, mechanical and chemical research; to perfect and render workable and marketable and otherwise to turn to account all discoveries and inventions arising therefrom, and to produce, manufacture, purchase, acquire, refine, smelt, store, distribute, distil, sell, dispose of and deal in all products of the said inventions and discoveries and in petroleum, natural and artificial gas and all the resulting products from the manufacture of the same (including oxygen, hydrogen and other gases and mechanical mixtures thereof whether gaseous, liquefied or solidified and including the product of distillation and cracking or hydrocarbon compounds), oils, salt, chemicals, metals, minerals and mineral substances of all kinds and all products of any of the same; (b) To apply for, purchase or otherwise acquire and to protect, prolong, and renew patents, patent rights, trademarks, formulae, licenses, protections, concessions and the like, conferring or relating to any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company and to use, exercise, improve, develop or grant licenses in respect of or otherwise turn to account the property, rights or information so acquired; (c) To search for and to recover and win from the earth petroleum, natural gas, oil, salt, metals, minerals and mineral substances of all kinds, and to that end to explore, prospect, mine, quarry, bore, sink wells, construct works or otherwise proceed as may be necessary; (d) To trade in, deal in and contract with reference to lands or interests in land, mines, quarries, wells, leases, privileges, licenses, concessions and rights of all kinds covering, relating to or containing or believed to cover, relate to or contain petroleum, natural gas, oil, salt, chemicals, metals, minerals or mineral substances of any kind; (e) To acquire, purchase, take on lease or license, hire, hold, use, sell, grant leases of, grant licenses of, exchange, alienate, dispose of and otherwise deal in or contract with reference to lands or interests in land, personal property of all kinds or interests therein, rights, privileges, licenses and concessions; (f) To acquire, lease, construct, improve, own, use, operate, deal in or contract with reference to ships, boats or vessels of any description, wharves and wharfage facilities, docks and docking facilities, cartage plant, forwarding plant, warehouses and towing, wreckage and salvage plant or any interest in any of the same; (g) To manufacture and deal in appliances, implements, machinery, apparatus, goods and supplies in any way connected with or incidental to the operations of the company or to the use of any of the products of the company; (h) To work, manage, operate, turn to account, explore, develop and improve the properties of the company, whether mining, or otherwise; (i) To acquire, lease, construct, improve, own, use and operate works for the development of power, light and heat, to use, purchase, sell, supply, lease or otherwise deal in or contract with reference to gas, power, light and heat, subject always to all local laws and regulations in that behalf; (j) To manufacture or trade in property and goods of all kinds; to operate construction or building plants and to make and carry out contracts for building or for construction work of any kind; to undertake, carry on and execute transactions as financial commercial brokers or agents and to act as general commercial agents, commission men and manufacturing agents; (k) Notwithstanding the provisions of section 44 of The Companies Act, to subscribe for, purchase, assume liability under, acquire, hold, sell, exchange, dispose of or otherwise deal in or contract with reference to bonds, debenture stocks or other securities or obligations or any estate or interest therein; and to apply or to accept, in whole or in part, as consideration for, satisfaction of, or security for any contract, indebtedness or obligation to or of the company, property, obligations, shares and securities of any kind, at such valuation and upon such terms as may be agreed upon; (l) To acquire, dispose of or otherwise deal in properties, businesses or undertakings of all kinds; to furnish aid to any business or undertaking similar in whole or in part to that of the company with which the company may have business relations, by way of loan, bonus, endorsement, agreement, guarantee, management or other service, and to manage, supervise and control the same in whole or in part and to act as agents or attorney for the same; (m) To carry on any other business which may seem capable of being conveniently or advantageously carried on in connection with the business of the company or calculated directly or indirectly ot enhance the value of; to facilitate the realization of or to render more profitable any of the company's businesses, properties or rights; (n) To invest the moneys of the company not immediately required in such investments as may from time to time be determined; (o) To co-operate in, aid in, subscribe towards or subsidize any proceeding or undertaking which may seem calculated directly or indirectly to benefit the company; (p) To acquire or undertake the whole or any part of the business, property or liabilities of any person, partnership, association or company having objects altogether or in part similar to the company or carrying on any business which the company is authorized to carry on, or possessed of property which may seem suitable or desirable for the purposes of the company; (q) To enter into partnership or into any agreement for sharing of profits, or expense, union of interest, co-operation, joint adventure, reciprocal concessions or otherwise with any person, partnership, association or company carrying on or engaged in, or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in, or any business or transaction which may seem capable of being conducted so as directly or indirectly to benefit the company; and to lend money to, guarantee the contracts of, or otherwise assist any such person, partnership, association or company, and to take or otherwise acquire shares and securities of any such partnership, association or company, and to sell, hold, re-issue, with or without guarantee or otherwise deal with the same; (r) To take or otherwise acquire and hold shares in any partnership or stock or shares in any association or company having objects altogether or in part similar to those of the company or carrying on any business which may seem capable of being conducted so as directly or indirectly to benefit the company; (s) To apply for, promote and obtain from the Dominion of Canada or any other authority, whether Dominion, Provincial, Imperial, Colonial or foreign and including subordinate and municipal authorities any statute, ordinance, order, regulation or other authorization or enactment which may seem desirable to the company or calculated directly or indirectly to benefit the company; (l) To enter into any arrangement with any governments or authorities, supreme, provincial, civic, municipal, local or otherwise that may seem conducive to the company's objects or any of them, and to obtain from any such government or authority any statutes, ordinances, licenses, contracts, orders, regulations, decrees, rights, powers, franchises, privileges, and concessions which the company may think it desirable to obtain, and to carry out, exercise and comply with the terms of the same; (u) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company, or its predecessors in business, or any person, partnership, association or company allied with the company in business or subsidiary to the company or in which the company holds shares or securities, or to benefit the dependents or connections of such persons, and to grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object; (v) To promote, form, organize, manage, develop, take interests or stock or shares in and assist financially or otherwise any partnership, association or company for the purpose of acquiring or taking over all or any of the property and liabilities of the company or for any other purpose which may seem calculated directly or indirectly to benefit the company; (w) To acquire, purchase, take on lease, hire, construct, improve, own, use, maintain, operate, manage, carry out and control plant, equipment, machinery, supplies, buildings, works, shops, warehouses, manufactories, pumps, tanks, pipe lines, smelters, refineries, roads, ways, canals, bridges, electric works, electric plant, hydraulic works, hydraulic plant, boats, ships, docks, wharves, piers, gas works, cables, waterworks, reservoirs, aqueducts, flumes, ditches and all such other structures, works, conveniences and appliances as may seem calculated directly or indirectly to advance the company's interests and to contribute to, subsidize or otherwise assist or take part in the acquisition, purchase, leasing, hiring, construction, improvement, ownership, use, maintenance, operation, management, carrying out or control thereof; (x) Where such course is required for the purposes of the company, or may seem calculated directly or indirectly to enhance the company's interests, to acquire, purchase, take on lease, hire, construct, improve, own, use, maintain, operate, manage, carry out and control, but only upon lands owned or controlled by the company or over which the company may have a right or license to that effect, such roads, ways, bridges, lines of rail, spurs, sidings, tracks, rolling stock, cables, wires, motors, locomotives, electrical plant and all such other structures, works, conveniences and appliances as may be required for the purpose of maintaining communication by telegraph or telephone or of effecting the transport of goods or passengers, and to contribute to, subsidize or otherwise assist or take part in the acquisition, purchase, leasing, hiring, construction, improvement, ownership, use, maintenance, operation, management, carrying out or control thereof; (y) To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; (z) To sell or dispose of the property or undertaking of the company, or any part thereof, for such consideration as the company may think fit, and in particular, and notwithstanding the provisions of Section 44 of the Companies Act, for shares, debentures or securities of any other partnership, association or company; (aa) To sell, exchange, lease, dispose of, turn to account or otherwise deal with or contract with reference to all or any part of the property and rights of the company; (bb) To consolidate or amalgamate with any other company having objects similar in whole or in part to those of the company; (cc) To procure the company to be registered, licensed or otherwise recognized in any foreign country and to designate and appoint persons therein as attorneys or representatives of the company with full power to represent the company in all matters according to the law of such foreign country and to accept service for and on behalf of the company of any process or suit; (dd) To pay out of the funds of the company all or any of the expenses of or incidental to the formation and organization thereof; (ee) To employ, contract with and provide for the remuneration of brokers, commission agents and underwriters upon any issue of shares, bonds, debentures, debenture stock or other securities of the company; (ff) To distribute or divide assets of the company in specie amongst the shareholders; (gg) To do all or any of the above things as principals, agents, contractors or otherwise, and either alone or in conjunction with others; (hh) To do all such things as may seem directly or indirectly to be incidental to or conducive to or convenient or proper for the accomplishment of the purpose or the attainment of the objects of the company, or any of them, or expedient for the protection or benefit of the company; (ii) No power granted in any paragraph hereof shall be limited or restricted by reference to or inference from the terms of any other paragraph hereof: The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Gas Processes, Limited," with a capital stock of fifty thousand dollars, divided into 500 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario.

Dated at the office of the Secretary of State of Canada, this 11th day of July, 1917.

THOMAS MULVEY,
Under-Secretary of State.

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AN ULTIMATUM TO LOCOMOTIVE SHAREHOLDERS

Present Administration Will Retire if Not Sustained.

AN INTERESTING SITUATION

Difference of Opinion as to Whether Reorganization is Aimed at or Whether Idea was to Secure Dividend Action

The situation created with regard to the control of Canadian locomotive administration by the campaign for proxies launched by M. J. Hancy and Sir Henry Pellatt has attracted considerable attention in investment circles particularly with the market generally in the doldrums of the dog-days. Speculation is rife as to the plans which have inspired the campaign referred to and there is a difference of opinion as to whether an actual reorganization is aimed at, with new interests in control, or whether the manoeuvre had a bearing upon the dividend policy; in the latter event it would seem that the purpose has been accomplished in the action which took place this week. In any event there can be little doubt but that the declaration will go a long way to quell any feeling of dissatisfaction on the part of those seeking to share in the profits.

Talk of a reorganization seems to be based upon the fact that the company is one of those which has devoted itself very largely to the development of an output along the lines for which it was formed, instead of turning into new and evidently very green pastures represented by various munitions and other steel making activities. This policy is said to be regarded as very conservative by some of the shareholders who are ambitious to expand.

The Haney-Pellatt circular has aroused the present board to a course of action which practically amounts to an ultimatum to the shareholders that if new directors are forced into the board, and those directors represent a certain element, then the present administration will move out. They take the attitude that their policy is in the best ultimate interest of the shareholders, that the company is a locomotive one and should continue in its line, that the future promises well for locomotive orders but that there is uncertainty as to munitions and other products and that rather than depart from this policy and introduce discord they would step down and out.

A circular is being sent to the shareholders calling attention to the opposition campaign for proxies and referring to the present and prospective conditions of the company. It puts the situation up to the shareholders as follows:

> In view of this attempt to get control of the Company, the directors feel it incumbent upon them to place before the shareholders the results that will follow if these gentlemen should succeed in obtaining a sufficient number of proxies to carry out their purpose. Neither of them have shown any reason to the board why any present member should be displaced to make room for them. The directors are not desirous of monopolizing office, but they do not think it would be in the best interests of the Company to have a forced entrance of a discordant element on the board that would undoubtedly lead to the resignation of all its members and, what is still more vital, to the resignation of several officers of the Company to whose ability and zeal the success of the Company is largely due. The board is so constituted at present that it would be utterly impossible to reconcile old differences between certain factions and Mr Haney, and his presence would not be conducive to harmony and the efficient operation of the Company and would lead to an entirely new personnel, probably with new and hazardous schemes of policy.
>
> The directors have in the past and so long as in office propose in the future to follow the policy of keeping the Company in such a strong financial position that interest on the bonds and dividends on the preferred stock are assured, even though we may meet periods of depression. The wisdom of this policy has been amply justified by the fact that this Company is one of the very few industrial corporations in Canada that continued its preferred dividend during the years 1913, 1914 and 1915. They have felt it imprudent to pay a dividend on the common stock while large expenditures were being made on property and plant and while the Company was borrowing from the banks. They also felt that it was unwise to declare such a dividend until the surplus of the Company was in such a position as to justify the conclusion that the payment of a dividend on the comomn stock when begun could be continued with a reasonable degree of permanency.

Shareholders are not only asked for their proxies but to revoke any that have been issued if it is desired to retain the present management.

AUSTRALIA NEEDS STEEL

Shortage of Supply Renders the Demand Acute

U. S. commercial Attache Philip B. Kennedy reports the following from Melbourne: Stocks of steel plates, tin plate, and galvanized iron are low throughout Australia, and the demand is acute. There is at present very little prospect of outside relief, and an effort is being made to manufacture these goods in Australia. Recently representatives of a company in Newcastle and one in Melbourne were sent to the United States to purchase machinery for making steel. The high freights and shortage of supply offer a great incentive to the manufacture of lines that would have been considered impossible to produce before the war.

TO WIND-UP THE NORTHWEST TRUST

Action being taken by Shareholders in Company operating at Vancouver.

Through the action of Joseph Morton, whose father's estate was placed in the hands of the Northwest Trust Company, of Vancouver, for administration, preliminary steps have been taken for the winding-up of the trust company which about a year ago changed its name to the Northwest Canadian Investment Company, Ltd. The company was incorporated in 1911 as the Northwest Canadian Trust company with a capital stock of $1,000,000 the shares being placed at $100 each. The company carried on a financial, brokerage, real estate and trust business until its powers were curtailed by the enaction of the Bowser Trust Company Act.

The petitioner Morton who is the holder of 185 paid-up shares of the company states that when the company reduced its capitalization to $500,000, it reduced his holdings by half and that no dividends have been declared since 1912. He also claims that a large amount of the stock which had been subscribed has not been paid up and asks that the matter should be investigated. He claims further that the company is not able to meet its obligations and that it is insolvent. Charging mismanagement Mr. Morton laid the matter before the court with the result that the trust company consented to an order of the court dated Dec. 21, 1915, transferring the handling of the estate to the Yorkshire and Canadian Trust Company, Ltd. At this time the latter was unable to pay over the assets of the estate in its hands. The whole matter will now be investigated.

THE BREAD STANDARD.

Western Miller Sees No Advantage in New Suggestion.

The proposal that black bread should be introduced into the dietary of Canadian homes for the duration of the war, in order to help maintain the food supplies for the allied armies has been provocative of much discussion and diverse views.

Many contend that there is no call for such an innovation at the present time, holding that if economy in flour is necessary it would be better to use less bread than to reduce the quality. In discussing the question with a representative of the press, Andrew Kelly, president of the Western Canada Flour Mills, makes the following statement:

> "A legitimate successor to the nature faker of the pre-war period is the food faker of to-day. His special topic is black bread. Regardless of the lifelong habit of the Canadian people their diet is to be changed. The ostensible reason is the elimination of waste, by the use of a darker and a coarser flour. In the same breath, an imperative call is made for greater animal production. It must be apparent that both programmes cannot be carried out. If unpalatable bread or coarse flour is forced upon the people, accustomed from early years to the finer products, a greater quantity will be thrown into the garbage can. In manufacturing the best patents the by-product is a larger percentage of mill-feed. The coarse and darker flour can only be made at the expense of the by-product. Bran and shorts are to-day scarce and high in price because of the demand for animal feeding. Cattle production and finishing can only continue while mill offal is available at reasonable prices. Curtail the production of mill feed by absorbing the greater percentage in flour and the consequences will be at once reflected in meat production. Proportionately there is a greater demand for mill feed to-day for animals than for flour for human beings. Great Britain, importing wheat or flour for human consumption has a problem in ocean transportation to face that finds no duplication in a country mainly devoted to the production of cereals and animal husbandry. The food faker overlooks the fact that Canadian meat is being exported by the shipload to feed the allied armies, and that this meat is largely fed and finished on mill offal."

An indication of the healthy condition of the men's wear trade is given by the number of stores which are enlarging or improving their equipment. The latest case in point is that of Graftons of Hamilton which store was burned out some little time ago.

PENMANS OPEN TENTH FACTORY TO GET LABOR

New Mill for Handling Underwear and Hosiery in London.

PART OF SETTLED POLICY

When Labor Falls Short in Older Mills—Mercury Mills of Hamilton Changes from West to East End for Same Purpose

The labor policy of Penmans, the knit goods manufacturers, which for years past has aimed at getting labor by starting a mill in a new centre when the supply runs out in mills already established, has just been adopted in a new center, London. A fresh mill, in the tenth center, has been opened and is now in operation with some 75 employes and it is hoped to increase this very shortly to 175. The work in this mill consists in finishing the underwear which is made in Paris and elsewhere and also in knitting hosiery. The firm in this way relieves the strain upon their other mills, where labor has decreased, as it has in most places. The opening up of the new mill secures them labor that could not have been obtained at the various other centres where there mills are located, and in this way enables them to increase their output by exactly the amount of work done at the London mill.

It may be objected on the part of the investor that this policy adds to the overhead expenses of the whole establishment quite considerably by the fact that a number of small mills cannot be operated at as low an overhead charge as could a large mill with a number of operators. This is quite true, but under present conditions, particularly, it is working well, where the general scarcity of knitted goods makes it advisable for a firm to turn out practically all they can. Where there is a market for an almost unlimited quantity it is advisable for a mill to secure this labor in this manner in order to increase their capacity and it is practically the only way in which this can be done. The present conditions will enable Penmans to cover their extra overhead charges and still make a good profit on all that is turned out. The firm last year started a mill at Waterford for the same purpose. In addition to these two and the Paris mills, including the Watson, there mills are operating in seven other places, Thorold, Port Dover, Brantford, Ayr, Almonte, in Ontario; and Coaticook and St. Hyacinthe in Quebec Province.

Hamilton Mill Went to Labor

The principle that it is a wise move to go to labor if labor will not come to you, has been illustrated by the action of Mercury Mills, Hamilton, Ont., a foster child by the way, of John Penman, the founder of Penmans, who for some years past has had no interest in the Paris industry. This knit goods mill, which turns out hosiery and underwear, and has made a very rapid advance in its output until, the FINANCIAL POST is informed, it will be close to $1,000,000 this year. compared with $30,000 some five or six years ago, was established towards the which was located a few blocks away. western end of the city, and in competition with the Zimmerman Manufacturing Co. and also more lately, the T. Eaton Co. big new factory It was found that labor was scarce but in addition Mr. Penman desired to erect a new modern mill of reinforced concrete which would enable the firm to provide comforts for the employees along the most modern sociological lines of welfare work. The new mill in which the company has now been installed and which is approaching completion far off in the east end of the city on Cumberland Street, right under the mountain, is an imposing structure with 300 feet frontage. While in its immediate surroundings it is in a good residential district, the working class is located close by to the north and it has been found that labor is more plentiful than it was when the mill was farther to the west. Moreover the improved working conditions undoubtedly are operating to favor the mill in securing female labor.

At the semi-annual meeting of the shareholders of Greenshields, Limited held this week, Graham Drinkwater was elected to fill the vacancy on the board of directors caused by the death of E. B. Greenshields. At a subsequent meeting of the directors, E. C. B. Fetherstonhaugh, who had been acting president, was elected president, and J. H. Armstrong, secretary-treasurer.

THE BANK OF TORONTO
DIVIDEND No. 144
Notice is hereby given that a Dividend of Two and Three-quarters Per Cent. for the current quarter, being at the Rate of Eleven Per Cent. per annum, upon the Paid-up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its Branches on and after the 1st day of September next, to Shareholders of record at the close of business on the 15th day of August next.
By Order of the Board,
THOS. F. HOW,
General Manager.
The Bank of Toronto, Toronto.
July 18th, 1917.

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Cor. Bloor West and Bathurst
Cor. Queen West and Bathurst
236 Broadview, Cor. Wilton Ave.
1871 Dundas St., Cor. High Park Ave.
1220 Yonge St. Subway, Cor. Alcorn Ave.
Borden Military Camp

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